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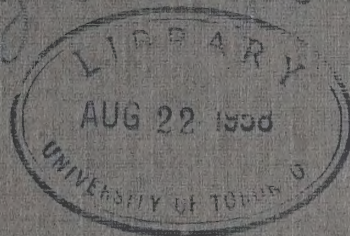
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COPY FOR MR. J. ALLAN ROSS

Secretary's Report



HYDRO-ELECTRIC INQUIRY COMMISSION

GENERAL REPORT

WASDELL'S SYSTEM

JOSEPH H. W. BOWER

SECRETARY

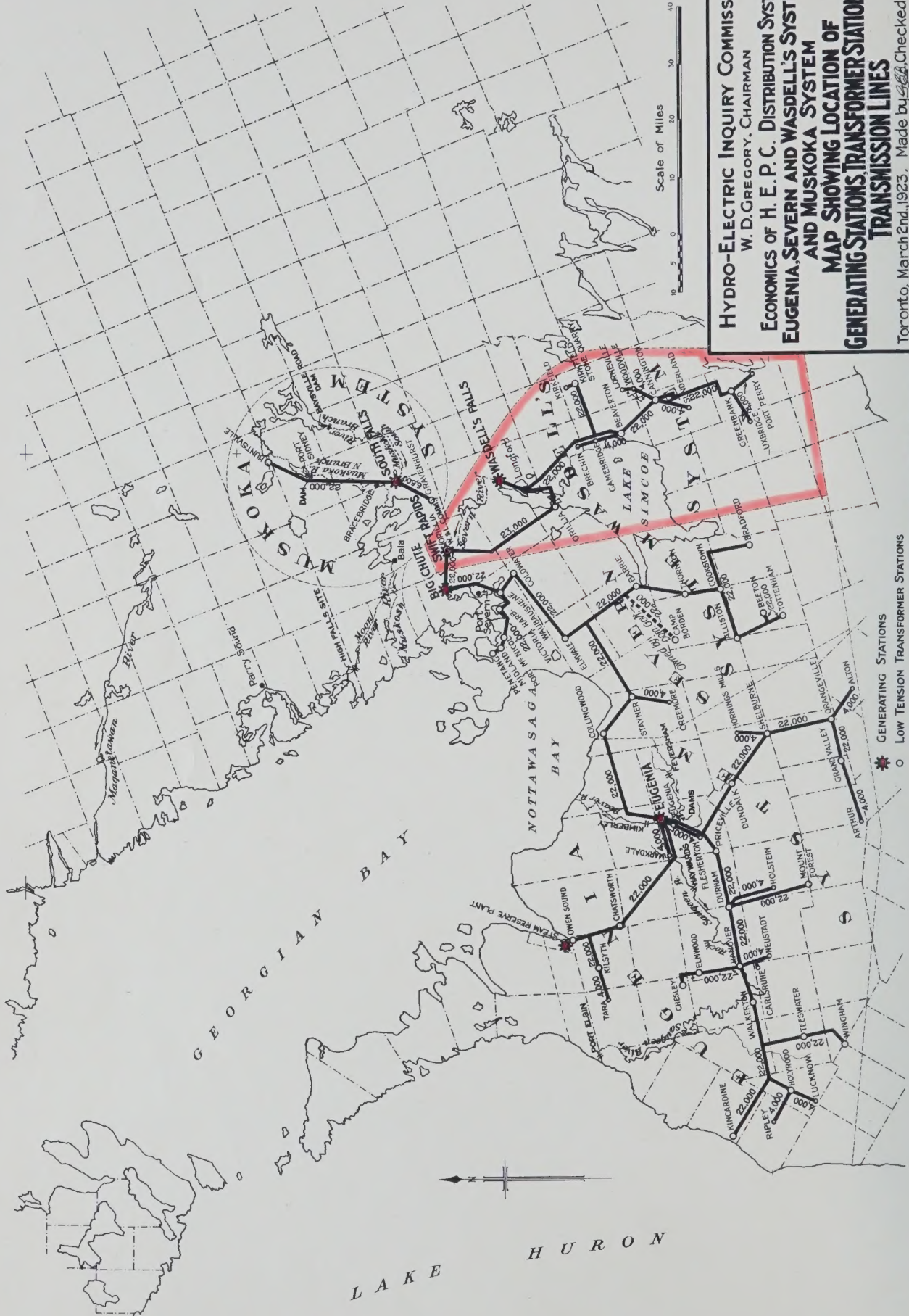


W A S D E L L ' S S Y S T E M



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HYDRO-ELECTRIC INQUIRY COMMISSION
W. D. GREGORY, CHAIRMAN
ECONOMICS OF H. E. P. C. DISTRIBUTION SYSTEMS
EUGENIA, SEVERN AND WASSELL'S SYSTEMS,
AND MUSKOKA SYSTEM
MAP SHOWING LOCATION OF
GENERATING STATIONS, TRANSFORMER STATIONS AND
TRANSMISSION LINES

Toronto, March 2nd, 1923. Made by *[Signature]* & Checked by *[Signature]*
WALTER J. FRANCIS & COMPANY
 CONSULTING ENGINEERS

GENERATING STATIONS
 * LOW TENSION TRANSFORMER STATIONS
 o MUNICIPALITIES SERVED BY H. E. P. C. WITHOUT LOCAL TRANSFORMER STATIONS

NOTE:—
 TRANSMISSION LINE VOLTAGE SHOWN THUS 22,000

REPORT TO SECRETARY'S PERSON

on the

WARDHILL'S SYSTEM

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on the

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INDEX (Con't)Toronto, Ontario.
May 25th, 1928.Hydro-Electric Inquiry Commission,
W. B. Gregory, Esq., Chairman,
TORONTO - ONTARIO.

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Agenda

Toronto, Ontario.
May 29th, 1923.

Hydro-Electric Inquiry Commission,
W. D. Gregory, Esq., Chairman,
TORONTO - ONTARIO.

Re: General Report - Wasdell's System.

Mr. Chairman and Gentlemen:

In accordance with your instructions, a general report on the Wasdell's System has been made, along the lines approved of by the Commission on January 2nd. The work has been done under my direct personal supervision as per your instructions.

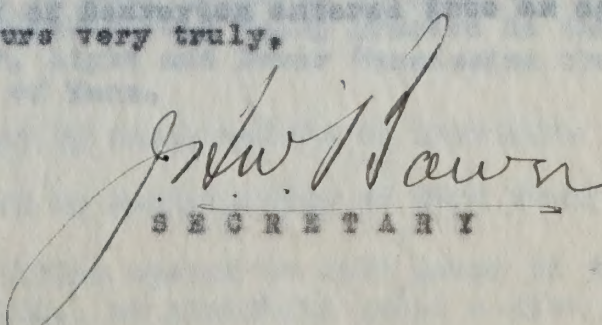
No public hearing was held in reference to this system, consequently the figures quoted and statements made have all been obtained from the Auditor's and Consulting Engineer's reports, yearly reports and files of the Hydro-Electric Power Commission of Ontario and other official documents having a definite bearing on the system.

The report falls naturally into two parts. The first part includes sections entitled "Historical", "Physical", "General Economics" and "General Relations". These sections are largely a recital of facts, but in addition comment has been introduced in order that the statements made may be clearly understood. The second part of the report entitled "Summary" is intended to direct attention to those points which appear to require special consideration by the Commission.

Particular attention is directed to a sub-section of the report entitled "Addenda" which deals with the revision recently made in the reserve for renewals account.

All figures used in this report have been carefully checked by a representative of Messrs. Price, Waterhouse & Company. Reports forming the basis of this report are appended hereto and in order to facilitate reference to the documents in question, on the right hand margin of the report throughout will be found abbreviated references.

Yours very truly,



JHWS:RM.

SECRETARY

Toronto, Ontario.
May 28th, 1923.

Hydro-Electric Inquiry Commission,
E. J. Gregory, Esq., Chairman,
Toronto - Ontario.

Re: General Report - Wassell's System.

Mr. Chairman and Gentlemen:

In accordance with your instructions, a general report on the Wassell's System has been made, along the lines approved of by the Commission on January 2nd. The work has been done under my direct personal supervision as per your instructions.

The public hearing was held in reference to this system, consequently the figures quoted and statements made have all been obtained from the Auditor's and Consulting Engineer's reports, and from the files of the Hydro-Electric Power Commission of Ontario and other official documents having a bearing on the system.

The report deals materially into two parts. The first part includes sections entitled "Historical", "Physical", "General Description" and "General Conclusions". These sections are largely a recital of facts, but in addition comments and been introduced in order that the statements made may be clearly understood. The second part of the report entitled "Summary" is intended to direct attention to those points which appear to require special consideration by the Commission.

Particular attention is directed to a sub-section of the report entitled "Addenda" which deals with the revision recently made in the reserves for renewals account.

All figures used in this report have been carefully checked by a representative of Messrs. Price, Waterhouse & Company. Errors during the audit of this report are appended hereto and in order to facilitate reference to the documents in question, on the right hand margin of the report throughout will be found abbreviated references.

Yours very truly,

John J. Gault
JOHN J. GAULT

THREE: 11.

WASDELL'S SYSTEM

CHRONOLOGICAL CHART

The following chronological chart has been prepared for the purpose of showing the beginning and development of the system:

1911

A number of municipalities in Ontario County held meetings for the purpose of investigating the demand for electrical power in the district.

1912

Resolutions passed by the Councils of the various municipalities requesting the Commission to send engineers to survey the situation and report on the feasibility of a water power development to serve the municipalities interested with power.

Engineers of the Commission made investigations and decided that Wasdell's Falls on the Severn River was the best location for the development plant.

August

Estimates submitted to municipalities by the Commission.

November

By-laws passed by the municipalities of Beaverton, Brechin, Cannington, Sunderland and Woodville.

1913

March 10

Municipality of Cannington entered into an agreement to take 175 horse-power.

March 20

Municipality of Beaverton entered into an agreement to take 175 horse-power.

W A S H I N G T O N S Y S T E M

CHRONOLOGICAL CHART

The following chronological chart has been prepared for the purpose of showing the beginning and development of the system:

1811 A number of municipalities in Ontario County held meetings for the purpose of investigating the demand for electrical power in the district.

1812 Resolutions passed by the Council of the various municipalities requesting the Commission to send engineers to survey the situation and report on the feasibility of a water power development to serve the municipalities interested with power. Engineers of the Commission made investigations and decided that Washelli's claim on the Beaver River was the best location for the development plant.

August Estimates submitted to municipalities by the Commission.
November By-laws passed by the municipalities of Beaverton, Beekmantown, Washelli and Woodville.

1813
March 10 Municipality of Beekmantown entered into an agreement to take 1/2 horse-power.
March 20 Municipality of Beaverton entered into an agree-

1913

- March 20 ment to take 250 horse-power.
- April 2 Municipality of Brechin entered into an agreement to take 50 horse-power.
- April 21 Order-in-Council authorizing the development of Wasdell's Falls passed.
- August 15 Purchase by Commission of site at Wasdell's Falls for \$8,200.00.
- August 15 Municipality of Sunderland entered into an agreement to take 80 horse-power.
- August 15 Municipality of Woodville entered into an agreement to take 70 horse-power.

1914

- October 6 Wasdell's development placed in operation.
- October 6 The municipalities of Beaverton and Cannington commenced taking power.
- October 16 The municipality of Sunderland commenced taking power.
- October 19 The municipality of Woodville commenced taking power.
- December 19 The municipality of Brechin commenced taking power.

1915

- April 8 By-law and agreement of municipality of Brechin confirmed by Legislature.
- June 7 The township of Rama passed by-law granting the right-of-way to the Orillia Water, Light and Power Commission for the purpose of serving Longford Hills with power.
- June 17 The Commission inaugurated a campaign to re-appeal by-law passed by Rama township on June 7th and to prevent the right-of-way being granted to the Orillia Water, Light and Power Commission through the township of Mara.
- January 8 By-law passed by municipality of Exbridge.
- January 9 By-law passed by municipality of Port Perry.
- Township of Eldon agreed to sell power to the Canadian Stone Co., Ltd., at Kirkfield under a five year contract.

1913

March 20

went to take 250 horse-power.

April 2

Municipality of Breslin entered into an agreement to take 50 horse-power.

April 21

Order-in-Council authorizing the development of Washelli's Falls passed.

Purchase by Commission of site at Washelli's Falls for \$2,200.00.

August 15

Municipality of Sunderland entered into an agreement to take 50 horse-power.

August 18

Municipality of Woodville entered into an agreement to take 70 horse-power.

1914

October 5

Washelli's development placed in operation.

October 6

The municipality of Beaverston and Pennington commenced taking power.

October 16

The municipality of Sunderland commenced taking power.

October 19

The municipality of Woodville commenced taking power.

December 18

The municipality of Breslin commenced taking power.

1915

April 6

By-law and agreement of municipality of Breslin confirmed by legislature.

June 7

The township of Kana passed by-law granting the right-of-way to the Otillie Water, Light and Power Commission for the purpose of carrying out the works with power.

June 17

The Commission inaugurated a campaign to re-spect by-law passed by Kana township on June 7th and to prevent the right-of-way being granted to the Otillie Water, Light and Power Commission through the township of Kana.

1916 (con't)

- May 23 Town of Orillia submit to electors by-law re sale of Orillia Water, Light & Power Commission to Commission resulting in a vote of 79 for and 512 against. Went to take 20 horse-power.
- July 24 The Wasdell's System commenced the sale of power to the Severn System. Bridge entered into an agreement to take 125 horse-power.
- August 15 The Commission entered into an agreement to supply the Orillia Water, Light & Power Commission with power during the construction of the latter's new plant at Swift Rapids.
- October 6 Tie line connecting Severn System at Collingwood with Eugenia System put in operation. Line Village of Kirkfield, by-law and agreement of the municipality of Kirkfield served with power.
- December 15 The Commission entered into an agreement with the Orillia Water, Light & Power Commission to purchase power at \$8.00 per horsepower.
- January 15 Municipality of Kirkfield served with power.

1917

- June The hamlet of Uxbridge commenced taking power.
- October 31 Extensions made to supply farms out of Cannington on Cannington-Woodville line. Since from the commencement of operations in 1914 put into effect.

1918

- May 3 Construction work commenced on the Wasdell's Rural Lines in Thorah township in the vicinity of Beaverton and also in Brook township east of Sunderland.
- October 31 Wasdell's Rural Lines included at this date lines operated by Beaverton, Brooklin, Sunderland (Brook township) and Woodville.
- Extension made to rural lines west of Sunderland.

1919

- November 28 The Commission entered into an agreement to supply power to the municipal corporation of the township of Eldon. Since of Uxbridge, Port Perry and Orillia Water, Light & Power Commission (dated December 9).
- December 9 The Commission and the Orillia Water, Light & Power Commission entered into a reciprocal agreement re the purchase and sale of surplus power from either System at one-quarter cent (2½) per k.w.h.

1920

- January 6 By-law passed by municipality of Uxbridge.
- January 9 By-law passed by municipality of Port Perry.

Township of Eldon agreed to sell power to the Crushed Stone Co., Ltd., at Kirkfield under a five year contract.

1914
May 22
Town of Orlin submits to electric power sale
of Orlin Water, Light & Power Commission to com-
mission resulting in a vote of 10 for and 12 against.

July 24
The Orlin's system commenced the sale of power to
the Orlin system.

August 18
The Commission entered into an agreement to supply
the Orlin Water, Light & Power Commission with
power during the construction of the latter's new
plant at North Rapids.

October 8
The line connecting Orlin system at Orlinwood
with Orlin system put in operation.

December 18
The Commission entered into an agreement with the
Orlin Water, Light & Power Commission to purchase
power at \$0.00 per horsepower.

1917
June
The Orlin's system commenced taking power.
Extension made to supply Orlin and Orlinwood
as Orlinwood-Orlin line.

1918
November 20
The Commission entered into an agreement to supply
power to the municipal corporation of the township
of Orlin.

December 9
The Commission and the Orlin Water, Light & Power
Commission entered into a reciprocal agreement to
the purchase and sale of surplus power from either
system at one-quarter cent (1/4) per K.W.H.

1920
January 8
By-law passed by municipality of Orlin.

January 9
By-law passed by municipality of Orlin.

Township of Orlin agreed to sell power to the Orlin
system at \$0.00 per K.W.H. at Orlin under a five year con-
tract.

COPY

1920 (con't)

February 9 By-law passed by municipality of Kirkfield.

February 24 Municipality of Kirkfield entered into an agreement to take 50 horse-power.

March 3 Municipality of Uxbridge entered into an agreement to take 125 horse-power. agreement with the Grillon Water, Light & Power

May 4 Municipality of Port Perry entered into an agreement to take 125 horse-power. for one year.

June 4 By-law and agreement of the township of Eldon, by-law of the township of Eldon covering Police Village of Kirkfield, agreement of Police Village of Kirkfield, by-laws and agreements of the municipalities of Uxbridge and Port Perry, confirmed by Legislature.

June 18 Municipality of Kirkfield served with power.

Crushed Stone Company, Limited, Kirkfield, served with power.

October 31 Reduction of renewal rate from 3½% per annum to 2% per annum to be retroactive from the commencement of operations in 1914 put into effect.

1921

May 3 By-laws of the municipalities of Kirkfield, Uxbridge and Port Perry confirmed by Legislature.

October 31 Wasdell's Rural Lines included at this date lines operated by Beaverton, Brechin, Sunderland (Brock township) and Woodville.

1922

April 28 Order-in-Council ratifying agreements with the municipalities of Uxbridge, Port Perry and Grillon Water, Light & Power Commission (dated December 9th, 1919) passed.

1920 (cont.)

February 9 By-law passed by municipality of Kirkfield.

February 24 Municipality of Kirkfield entered into an agreement to take 80 horse-power.

March 2 Municipality of Kirkfield entered into an agreement to take 128 horse-power.

May 4 Municipality of Kirkfield entered into an agreement to take 128 horse-power.

June 4 By-law and agreement of the township of Kirkfield, by-law of the township of Kirkfield covering Police Village of Kirkfield, agreement of Police Village of Kirkfield, by-laws and agreements of the municipality of Kirkfield and Port Perry, confirmed by Legislature.

June 18 Municipality of Kirkfield served with power.

June 20 Gravel Stone Company, Limited, Kirkfield, served with power.

October 21 Reduction of renewal rate from \$45 per annum to \$25 per annum so as to be retrospective from the commencement of operations in 1914 and into effect.

1921

May 2 By-laws of the municipality of Kirkfield, Kirkfield and Port Perry confirmed by Legislature.

October 21 Woodville's Rural Lines included at this date lines operated by Newmarket, Woodville, Woodville (Branch), Woodville and Woodville.

1922

April 28 Order-in-Council ratifying agreement with the municipality of Kirkfield, Port Perry and Orillia water, light & power Commission (dated December 28th, 1921) passed.

1923

January 2 By-law passed by municipality of Kirkfield.

January 2 By-law passed by municipality of Kirkfield.

February 2 By-law passed by municipality of Kirkfield.

HISTORICAL SECTION

September 1 The Commission entered into an agreement with the Orillia Water, Light & Power Commission, whereby 800 horse-power was reserved for the Commission for one year. feeling of the district in the matter of obtaining a supply

September 10 The municipalities of Port Perry and Uxbridge commenced taking power from the Wasdell's System. The municipalities were Beaverton, Cannington, Woodville, Sunderland, Brechin, Uxbridge and Port Perry.

REPORTS OF THE COMMISSION

COPY

It was finally decided to apply to the Commission for an investigation of the situation as it then existed, and, in pursuance of this decision, in June 1912, resolutions were passed by the various municipalities requesting the Commission to make a survey. In response to this request, the Commission made an investigation of the possibilities of developing a supply of power for the district, and prepared an estimate of the cost. The result of the survey was the selection of a site at Wasdell's Falls, located on the Severn River, three miles below Lake Couchiching. Estimates of the cost per horse-power were submitted to Beaverton, Brechin, Cannington, Sunderland, and Woodville in August, 1912.

REPORT
REPORT
1912
p.
194

P.W.
Mar.
27.
S.L.

By-laws were passed by the municipalities of

September 1907

September 2 1907

September 3 1907

September 4 1907

September 5 1907
The Commission entered into an agreement with the Orilla Water, Light & Power Commission, whereby 500 horse-power was reserved for the Commission for one year.

September 6 1907

September 7 1907
The municipalities of Fort Berry and Uxbridge commenced taking power from the Washell's system.

September 8 1907

September 9 1907

September 10 1907

COPY

September 11 1907

September 12 1907

September 13 1907

September 14 1907

September 15 1907

September 16 1907

September 17 1907

September 18 1907

September 19 1907

September 20 1907

September 21 1907

September 22 1907

September 23 1907

September 24 1907

September 25 1907

HISTORICAL SKETCH

In November 1912, authorizing the Commission to proceed with the project.

In 1911 a number of municipalities in Ontario County held meetings for the purpose of ascertaining the feeling of the district in the matter of obtaining a supply of electrical energy from water power development. The municipalities interested at that time were Beaverton, Cannington, Woodville, Sunderland, Brechin, Uxbridge and Port Perry.

Entrance of Hydro-Electric Power Commission

It was finally decided to apply to the Commission for an investigation of the situation as it then existed, and, in pursuance of this decision, in June 1912, resolutions were passed by the various municipalities requesting the Commission to make a survey. In response to this request, the Commission made an investigation of the possibilities of developing a supply of power for the district, and prepared an estimate of the cost. The result of the survey was the selection of a site at Wasdell's Falls, located on the Severn River, three miles below Lake Couchiching. Estimates of the cost per horse-power were submitted to Beaverton, Brechin, Cannington, Sunderland and Woodville in August, 1912.

By-laws were passed by the municipalities of

HRPC.
Report
1912
p.
194

P.W.
Mar.
27,
S.L.

HISTORICAL SKETCH

In 1811 a number of municipalities in Ontario County held meetings for the purpose of considering the feasibility of the district in the matter of obtaining a supply of electrical energy from water power development. The municipalities interested at that time were Newton, Cananastota, Woodville, Sunderland, Brocton, Unbridge and Port Perry.

INITIATION OF HYDRO-ELECTRIC POWER COMMISSION

It was finally decided to apply to the Commission for an investigation of the situation as it then existed, and, in pursuance of this decision, in June 1912, resolutions were passed by the various municipalities requesting the Commission to make a survey. In response to this request the Commission made an investigation of the possibilities of developing a supply of power for the district, and prepared an estimate of the cost. The results of the survey and the selection of a site at Woodville's Falls, located on the Seven Mile River, three miles below Lake Cananastota. Estimates of the cost per horse-power were submitted to Newton, Brocton, Cananastota, Sunderland, and Woodville in August, 1912.

By-laws were passed by the municipalities of

1912
Report
1912

2.1.
2.2.
2.3.
2.4.
2.5.

Beaverton, Brechin, Cannington, Sunderland and Woodville in November 1912, authorizing the Commission to proceed with the project, and in 1920, Kirkfield, Uxbridge and Port Perry passed by-laws authorizing their municipal councils to make arrangements for receiving power from the Commission. It is to be noted, however, that none of the by-laws, except those passed by Brechin, Kirkfield, Uxbridge and Port Perry, have been ratified by the Legislature as is required by Section 8 of the Power Commission Act.

P.W.
Mar.
27.
S.L.

In 1913, the Commission purchased for \$8,200.00 property adjoining Waddell's Falls and commenced the construction of a power development plant, transmission lines and distributing stations. The project was approved by Order-in-Council under the date of April 21st, 1913, as follows:-

P.W.
Mar.
27.
S.L.

P.W.
p.2.

"Upon recommendation of the Hydro-Electric Power Commission of Ontario, in that behalf, the Committee of Council advise that pursuant to the provisions of "The Power Commission Act" Chapter 19, 7 Edward VII and amendments thereto, the Commission be authorized to develop the water power known as Waddell's Falls on the Severn River in the Province of Ontario such authority to cover the following matters:

1. The purchase of the Riparian rights necessary for the development.

*ms
by
S. L.
P. W.
104.
Council*

V.
104

REPORT
1914
p. 22.

Seaverton, Brechin, Ganderland and Woodville
 in November 1912, authorizing the Commission to proceed
 with the project, and in 1920, Kirkfield, Verrill and
 Port Perry passed by-laws authorizing their municipal
 councils to make arrangements for receiving power from the
 Commission. It is to be noted, however, that none of the
 by-laws, except those passed by Brechin, Kirkfield, Ver-
 rill and Port Perry, have been ratified by the Legislature
 as is required by Section 9 of the Power Commission Act.
 In 1915, the Commission purchased for \$8,200.00
 property adjoining Wardsville Falls and commenced the con-
 struction of a power development plant, transmission lines
 and distributing stations. The project was approved by
 Order-in-Council under the date of April 21st, 1915, as
 follows:-

"Upon recommendation of the Hydro-Electric Power
 Commission of Ontario, in that behalf, the Commission
 of Council advise that pursuant to the provisions
 of 'The Power Commission Act' Chapter 12, 7 Edward VII
 and amendments thereto, the Commission be authorized
 to develop the water power known as Wardsville Falls on
 the Severn River in the Province of Ontario such
 authority to cover the following matters:

1. The purchase of the Riparian rights necessary
 for the development.

P.W.
 M.A.
 ST.
 S.I.

P.W.
 104.

P.W.
 P.W.

2. The purchase of necessary material and equipment for construction of the plant at Wasdells Falls for the generation of electrical energy and its transformation for transmission to the Municipalities in the Cannington and Beaverton Districts.

3. The construction of transmission lines and transformer stations for delivery of power to the Municipalities in the Cannington and Beaverton District, including both low and high tension transmission lines."

Contracts between the Commission and the municipalities were entered into as follows:

<u>Municipality</u>	<u>Date of Contract</u>	<u>H.P. Load</u>
Beaverton	March 20th, 1913	250
Brechin	April 2nd, 1913	50
Cannington	March 10th, 1913	175
Sunderland	Aug. 15th, 1913	80
Woodville	Aug. 15th, 1913	70
Kirkfield	Feb. 24th, 1920	50
Uxbridge	March 3rd, 1920	125
Port Perry	May 4th, 1920	125

As in the case of the by-laws, the only contracts confirmed by Legislature are the ones entered into by the municipalities of Brechin, Kirkfield, Uxbridge and Port Perry.

out of the Greenbank substation.

Attention is drawn to the fact that in constructing the Wasdell's System, the Commission for the first time in its history became a producer of power, in addition to transmitting it.

the power capable of being generated at the Wasdell plant (about 300 horse-power). It was quite apparent, there-

fore, that a heavier load was necessary in order to put

P.W.
Mar.
27.
S.I.

F.F.
104.

HEPC.
Report
1914
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2. The purchase of necessary material and equipment for construction of the plant at Washville Falls for the generation of electrical energy and its transmission for transmission to the Municipalities in the Gannington and Beverton Districts.

3. The construction of transmission lines and transmission stations for delivery of power to the Municipalities in the Gannington and Beverton Districts, including both low and high tension transmission lines.

Contracts between the Commission and the Municipalities were entered into as follows:

Municipality	Date of Contract	W. S. Price
Beverton	March 20th, 1913	\$50
Beechlin	Aug. 1st, 1913	20
Gannington	March 10th, 1913	175
Wanderland	Aug. 1st, 1913	30
Woodville	Aug. 1st, 1913	70
Kirkfield	Feb. 24th, 1913	20
Uxbridge	March 27th, 1913	125
Port Perry	May 4th, 1913	125

As in the case of the by-laws, the only contracts

confirmed by legislation are the ones entered into by the

Municipalities of Beechlin, Kirkfield, Uxbridge and Port

Perry.

Attention is drawn to the fact that in connection

with the Washville system, the Commission for the first time

in its history became a producer of power, in addition to

transmission.

the system on The Wasdell's development was placed in operation on October 6th, 1914, the first municipalities served being Beaverton (October 6th), Brechin (December 19th), Cannington (October 6th), Woodville (October 19th) and Sunderland (October 16th). Two substations were constructed, one located at Beaverton which served, in addition to this municipality, the village of Brechin at 4000 volts, the other being located at Cannington and serving, not only this municipality, but also the villages of Woodville and Sunderland at 4000 volts. Power was delivered to the hamlet of Gamebridge from the 4000-volt Brechin line in June 1917. The police village of Kirkfield (Township of Eldon) was added on June 18th, 1920, as was also the Crushed Stone Company, Limited, located in that village, both being supplied from the same substation. In the fall of 1922, the transmission line was extended from Cannington to Greenbank, from which point the municipalities of Uxbridge and Port Perry are now being served by a 4000-volt line out of the Greenbank substation.

Rural Lines

Although 625 horse-power had been contracted for, it was not until 1917 that any work was done in this connection. In that year service extensions were made supplying light and power to farms out of Cannington the power capable of being generated at the Wasdell plant and on the Cannington-Woodville 4000-volt line. (about 860 horse-power). It was quite apparent, there-

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The Washburn's development was placed in operation

on October 22d, 1914, the first municipalities served being Rogers Reservoir (October 22d), Washburn (December 19th), Greenbank-son (October 22d), Woodville (October 19th) and Lundbomland (October 18th). Two substations were constructed, one located at Reservoir which served, in addition to this municipality, the village of Washburn at 4000 volts, the other being located at Lundbomland and serving, not only this municipality, but also the villages of Woodville and Lundbomland at 4000 volts. Power was delivered to the hamlet of Lundbomland from the 4000-volt Washburn line in June 1917.

The police village of Kirkville (Township of Eldon) was added on June 18th, 1920, as was also the Grashed Stone Company, Limited, located in that village, both being supplied from the same substation. In the fall of 1922, the transmission line was extended from Oronington to Greenbank, from which point the municipalities of Oxbridge and Port Perry are now being served by a 4000-volt line out of the Greenbank substation.

Although 625 horse-power had been constructed for, it was found the actual demand of the municipalities was not heavy enough to generate more than 25 per cent. of the power capable of being generated at the Washburn plant (about 1800 horse-power). It was quite apparent, there-

fore, that a heavier load was necessary in order to put

Although 625 horse-power had been constructed for, it was found the actual demand of the municipalities was not heavy enough to generate more than 25 per cent. of the power capable of being generated at the Washburn plant (about 1800 horse-power). It was quite apparent, there-

fore, that a heavier load was necessary in order to put

the system on a more economical basis. The Severn System was in need of additional power so the excess capacity, over that which was required for serving the Wasdell's System, was utilized to take care of the increased power demand of the municipalities of the Severn System. This was accomplished by building a tie line between the power house and the Orillia substation at Longford. The balance of the circuit was completed by the existing Orillia line via the Orillia transforming and switching stations and the Big Chute plant. After parallel operation was commenced on July 24th, 1916, the Wasdell's power house supplied an average load of 750 horse-power continuously throughout the balance of the year, and continued to supply varying amounts during the succeeding years.

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On October 6th, 1916, there was put in operation a tie line connecting the Severn System at Collingwood with the Eugenia plant, so that power from the Wasdell's plant can be supplied to the Eugenia System.

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Rural Lines

It was not until 1917 that any work was done in this connection. In that year service extensions were made of April, 1917, given the following list of municipalities supplying light and power to farms out of Cannington and on the Cannington-Woodville 4000-volt line.

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- | | |
|----------------|----------------|
| Beaverton | Essex Township |
| Brockton | Port Perry |
| Brock Township | Sunderland |
| Cannington | Thorn Township |
| Elgin Township | Uxbridge |
| Georgetown | Woodville |
| Kirkfield | |

The system on a more economical basis. The Severn system was in need of additional power to the extent of capacity, over that which was required for serving the Woodville's system, was utilized to take care of the increased power demand of the Annihilator of the Severn system. This was accomplished by building a tie line between the power house and the Grille substation at Bangor. The balance of the circuit was completed by the existing Grille line via the Grille transformer and switching station and the big three plants. After parallel operation was commenced on July 22nd, 1918, the average power house supplied an average load of 750 horse-power continuously throughout the balance of the year, and continued to supply varying amounts during the succeeding years.

On October 6th, 1918, there was put in operation a tie line connecting the Severn system at Collingwood with the Niagara plant, so that power from the Woodville's plant can be applied to the Niagara system.

Rural Lines

It was not until 1917 that any work was done in this connection. In that year service extensions were made supplying lights and power to farms out of Gannington and on the Gannington-Woodville 4000-volt line.

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In 1918 a rural line was constructed in Brock Township east from Sunderland giving service to four farms and in the same year a new line was constructed and placed in operation in Thorah Township for the purpose of serving summer cottages at Cedarhurst and Maple Beach in the vicinity of Beaverton.

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In 1919 an extension to the existing rural lines in Brock Township was arranged for and completed for the purpose of serving seven farms west of the village of Sunderland.

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As at October 31st, 1921, the Wasdell's rural lines included lines operated by Beaverton, Brechin, Sunderland (Brock Township) and Woodville. These rural lines are operated by municipalities which supply power thereto through their local commissions. Such municipalities collect the revenue from the customers on these rural lines, pay all operating costs and also pay to the Commission interest and sinking fund on the capital invested by it.

P.V.
p.4.

Municipalities on the System

The "Bulletin", issued by the Commission under date of April, 1923, gives the following list of municipalities:

Beaverton	Kara Township
Brechin	Port Perry
Brock Township	Sunderland
Cannington	Thorah Township
Eldon Township	Uxbridge
Cambridge	Woodville
Kirkfield	

In 1918 a rural line was constructed in Brook Township east from Lunderville giving service to town farms and in the same year a new line was constructed and placed in operation in Brook Township for the purpose of serving summer cottages at Cedarhurst and Maple Beach in the vicinity of Beaverston.

In 1919 an extension to the existing rural lines in Brook Township was arranged for and completed for the purpose of serving seven farms west of the village of Lunderville.

As of October 31st, 1919, the Board's rural lines included lines operated by Beaverston, Brook, Lunderville (Brook Township) and Woodville. These rural lines are operated by municipalities which supply power thereto through their local commissions. Each municipality collects the revenue from the customers on these rural lines, pay all operating costs and also pay to the Commission interest and sinking fund on the capital invested by it.

Municipalities on the System

The "Bulletin", issued by the Commission under date of April, 1922, gives the following list of municipalities:

Beaverston	May Township
Brook	Port Perry
Brook Township	Lunderville
Cannington	Thorn Township
Niagara Township	Whitby
Georgetown	Woodville
Niagara	

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PHYSICAL

constructed across the river and the power house forms a continuation of the dam.

General Description of the System

The Wasdell's System lies east of the Severn System and embraces a narrow strip east and south of Lake Simcoe. The only power development on the system is at Wasdell's Falls on the Severn River, a short distance from its source at Lake Couchiching. The Swift Rapids plant of the Orillia Water, Light & Power Commission is about fifteen miles further down the River and the Big Chute plant of the Severn System is about eight miles down stream from the Swift Rapids' development, being only a short distance from the mouth of the Severn. The transmission system extends roughly fifty miles north and south.

Generating Station

The hydro-electric plant at Wasdell's Falls was the first plant constructed by the Commission and it was put into service on October 6th, 1914. The drainage area above the development is 2,075 square miles, and the water storage is 16,500 million cubic feet. The mean head at the turbines is 12 feet and the minimum head is 9 feet. A concrete dam 110 feet long and 18 feet high was con-

GENERAL DESCRIPTION OF THE SYSTEM

The Washelli's system lies east of the Gavern River and embraces a narrow strip east and south of Lake Kinross. The only power development on the system is at Washelli's Falls on the Gavern River. A short distance from its source at Lake Kinross, the Swift Rapids plant of the Orlin Water, Light & Power Commission is about fifteen miles farther down the river and the Kinross plant of the Gavern system is about eight miles down stream from the Swift Rapids' development, being only a short distance from the mouth of the Gavern. The transmission system extends roughly fifty miles north and south.

Generators and Station

The hydro-electric plant at Washelli's Falls was the first plant constructed by the Commission and it was put into service on October 24th, 1914. The dam is above the development is 2,075 square miles, and the water storage is 18,500 million cubic feet. The mean head at the turbine is 12 feet and the minimum head is 9 feet. A concrete dam 110 feet long and 18 feet high was con-

constructed across the river and the power house forms a continuation of the dam.

WJF.
p.9.

Two vertical shaft turbine units of 600 horse- power each supplied by the Boving Company of Canada, the Grillia Motor, Light & Power Commission. This develop- Toronto, for \$21,900.00, are coupled to two 400- K.V.A., three-phase, 60-cycle, 2,300-volt vertical generators.

WJF.
p.9.

The capacity of this plant is approximately 860 horse-power at 80 per cent. power factor in accordance with the rating of the Commission.

WJF.
p.9.

Tie Lines

The tie lines joining the Waddell's System to the Severn System and to the Grillia Commission's System make it possible for either of these systems to deliver power to the Waddell's System, but the amount of surplus power available from the other systems is small and very uncertain.

WJF.
p.10.
WJF.
p.10.

Undeveloped Power Sites.

There are no undeveloped power sites on the Waddell's System which have sufficient capacity to warrant their development, and when the demand on the system exceeds the capacity of the present development, power must be developed at or purchased from some source outside the boundaries of the Waddell's System.

WJF.
p.13.

constructed across the river and the power house forms a

continuation of the dam.

Two vertical shaft turbines with a capacity of 600 horse-

power each supplied by the Havelock Company of Canada.

Turbines for \$21,000.00 are supplied to two 400-K.V.A.,

three-phase, 60-cycle, 2,500-volt vertical generators.

The capacity of this plant is approximately

600 horse-power at 80 per cent. power factor in accordance

with the rating of the Commission.

The Lines

The lines joining the Havelock's system to

the Havelock system and to the British Columbia's system

make it possible for either of these systems to deliver

power to the Havelock's system, and the amount of surplus

power available from the other system is small and very

uncertain.

Undeveloped Power Sites

There are no undeveloped power sites on the

Havelock's system which have sufficient capacity to warrant

their development, and when the demand on the system exceeds

the capacity of the present development, power must be de-

veloped at or purchased from some source outside the

boundaries of the Havelock's system.

Miscellaneous Power Plants

The only power development of any kind on the system, other than the development at Wasdell's Falls, is the hydro-electric development at Swift Rapids owned by the Orillia Water, Light & Power Commission. This development, and the town of Orillia, which it supplies, are within the boundaries of the system, but do not form a part of it. For some years the Orillia Commission purchased power from the Big Chute plant of the Severn System in accordance with a contract made with the Simcoe Railway and Power Company which constructed and owned the Big Chute plant and from whom it was purchased by the Power Commission. At the present time the Orillia Commission has some surplus power which may be purchased by the Power Commission either for the Severn System or the Wasdell's System.

A description of the Swift Rapids plant is given on pages 13 and 14 of our Consulting Engineer's report.

Transmission Lines

Up to October 31st, 1921, the Commission had constructed on the Wasdell's System 78.7 miles of transmission and distribution lines; of these 23.3 miles of 4000-volt lines distribute power from the high voltage

WJP.
p.13.

Miscellaneous Power Plants

The only power development of any kind on the system, other than the development at Washelli's Falls, is the hydro-electric development at Swift Rapids owned by the Swift Rapids Water, Light & Power Commission. This development, and the town of Swift, which it supplies, are within the boundaries of the system, but do not form a part of it. For some years the Swift Rapids Commission purchased power from the Big Stone plant of the Great Northern in accordance with a contract made with the Great Northern and power company which constructed and owned the Big Stone plant and from which it was purchased by the Great Northern Commission. At the present time the Swift Rapids Commission has some surplus power which may be purchased by the Great Northern either for the Great Northern system or the Washelli's Falls system. A description of the Swift Rapids plant is given on pages 15 and 16 of our Consulting Engineer's report.

Transmission Lines

Up to October 1911, the Commission had constructed on the Washelli's system 75.7 miles of transmission and distribution lines at about \$2.5 million of 6000-volt lines and 11000-volt power from the high voltage

distributing stations to the smaller municipalities and the rural lines; the remaining 55.4 miles are operated at 22,000 volts and form a network supplying the larger municipalities, and also connecting together for parallel operation, the generating stations of the Waddell's, Severn and Eugenia System and the Swift Rapids station of the Grillia Water, Light & Power Commission.

The transmission system is constructed on wooden poles throughout and presents no extraordinary features. Extensions estimated to cost about \$120,000.00 for 1922 and \$35,000.00 for 1923 are said to be contemplated, covering stations and lines to supply Uxbridge and Port Perry, and for miscellaneous improvements and for considerable extensions to the rural lines.

Transforming & Distributing Stations

The transmission lines feed the various municipalities at low voltage through three substations, a list of which is shown on page 15 of the report of our Consulting Engineer.

Local Distributing Systems

With the exception of the rural lines there are no municipalities on the system in which the Commission distributes retail power to consumers. The Commission acts

WJF.
p.15.

distributed stations to the smaller municipalities and the rural lines the remaining 32.4 miles are operated at 25,000 volts and form a network supplying the larger municipalities, and also connecting together for parallel operation, the generating stations of the "Central", "North" and "Kootenai" systems and the "Sault Ste. Marie" station of the "British Columbia" system.

The transmission system is constructed on wooden poles throughout and presents no extraordinary features. Extensions estimated to cost about \$120,000.00 for 1923 and \$30,000.00 for 1924 are said to be contemplated, covering stations and lines to supply "Kelowna" and "Port Huron", and for miscellaneous improvements and for connections extensions to the rural lines.

Transformer and Distribution Stations

The transformer lines feed the various municipalities at low voltage through three substations, a line of which is shown on page 12 of the report of our Consulting Engineer.

Local Distribution Systems

With the exception of the rural lines there are no municipalities on the system in which the Commission distributes retail power to consumers. The Commission

Big Chute plant on the Severn System and the Sagged Rapids plant of the Orillia Commission was purchased by a tie line the electricity is distributed by the municipality itself or by local commission in the municipalities. It is understood that the accounting for all of the municipalities of the Wasdell's System is done in accordance with the standard accounting system of the Commission, and the details for the various municipalities are given in the Annual Reports.

WJF.
p.15
& 16.

Parallel Operation of Wasdell's, Severn, Eugenia and Orillia Systems

COPY

In order to make the excess power of the Wasdell's System available for the Severn System, a tie line was constructed in 1916 connecting the Wasdell's transmission system to the lines of the Orillia Water, Light and Power Commission at Longford, there being already a tie line between the Orillia System and the Big Chute plant of the Severn System. Parallel operation of the Wasdell's and Severn Systems has been continued over the lines of the Orillia Commission since the date of connection, July 24th, 1916. A tie line 24 miles long connecting the Eugenia System with the Severn System at Collingwood was completed and put into service in October, 1916, paralleling the Wasdell's, Severn and Eugenia Systems. When the Swift Rapids plant of the Orillia Commission was put into service at the end of 1917, the tie line between the

Municipal

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as a wholesale distributor only and in all the municipalities the electricity is distributed by the municipality itself or by local companies in the municipalities. It is understood that the accounting for all of the municipalities of the Washelli's system is done in accordance with the standard accounting system of the Commission, and the details for the various municipalities are given in the annual

Reports.

Parallel Operation of Washelli's, Severn, Huronia and Grille Systems

In order to make the extent power of the Washelli's system available for the Severn system, a tie line was constructed in 1916 connecting the Washelli's transmission system to the line of the Grille River, Huronia and Power Commission at Langford, there being already a tie line between the Grille system and the Big Three plant of the Severn system. Parallel operation of the Washelli's and Severn systems has been continued ever since the line of the Grille Commission since the date of construction, July 25th, 1916. A tie line 24 miles long connecting the Huronia system with the Severn system at Collingwood was completed and put into service in October, 1916, paralleling the Washelli's, Severn and Huronia systems. When the Swift Rapids plant of the Grille Commission was put into service at the end of 1917, the tie line between the

1917.
p. 15
a. 16.

Big Chute plant on the Severn System and the Ragged Rapids plant of the Orillia Commission was replaced by a tie line between the Big Chute plant and the new development at Swift Rapids. Of the transmission lines joining the Wasdell's and Big Chute developments, the Power Commission owns the section from the Wasdell's Falls station to Longford, and from Swift Rapids to Big Chute, the intervening section extending from Longford to the Swift Rapids station being the property of the town of Orillia.

WJF.
p.10.

When power is to be transferred from the Wasdell's System to the Severn System, it is delivered by the Wasdell's System to the Orillia Commission at Longford where it is metered, and the Orillia Commission delivers an equal amount from the Swift Rapids plant to the Severn System, this power being metered at Swift Rapids.

When the connection was first made between the Orillia System and the Severn System, the Orillia Commission was short of power and Wasdell's Falls generating station and the Orillia System at Longford, the Orillia Commission was short of power and was making very heavy demands on the Severn System. The Wasdell's System, therefore, delivered its excess power to the Orillia Commission and the Orillia Commission credited the Severn System with an equal amount of power. During November and December, 1917, while the Orillia Commission was transferring its source of supply to the new plant at Swift Rapids and abandoning the old plant at Ragged Rapids, Wasdell's delivery to Orillia is paid for at the rate of one-quarter of a cent per kilowatt-hour.

Big Chase plant on the Severn system and the Bagby Rapids plant of the Grille Commission was replaced by a tie line between the Big Chase plant and the new development at Swift Rapids. Of the transmission lines joining the Wendell's and Big Chase developments, the Power Commission owns the section from the Wendell's Falls station to Longford, and from Swift Rapids to Big Chase, the intervening section extending from Longford to the Swift Rapids station being the property of the town of Grille.

When power is so transferred from the Wendell's system to the Severn system, it is delivered by the Wendell's system to the Grille Commission at Longford where it is metered, and the Grille Commission delivers an equal amount from the Swift Rapids plant to the Severn system, this power being metered at Swift Rapids.

When the connection was first made between the Wendell's Falls generating station and the Grille system at Longford, the Grille Commission was short of power and was making very heavy demands on the Severn system. The Wendell's system, therefore, delivered its excess power to the Grille Commission and the Grille Commission credited the Severn system with an equal amount of power. During November and December, 1917, while the Grille Commission was transferring its source of supply to the new plant at Swift Rapids and abandoning the old plant at Bagby Rapids,

which had been rendered useless on account of Trent Canal improvements, the demand of the Orillia Commission on the Severn System exceeded 2,000 horse-power, and a considerable portion of this amount was supplied by the Wasdell's System. In the records of the Power Commission, the power from the Wasdell's System is considered to be supplied to the Severn System, and from it delivered to the Orillia Commission. The Severn System for some years purchased large amounts of power from the Eugenia System and the Wasdell's System, but by the end of the fiscal year 1921 the Eugenia System required the full output of the Eugenia Falls development and there was no surplus power for the Severn System. However, the Wasdell's System has still a few hundred horse-power available for the Severn System and the new plant at Swift Rapids not only supplies the total demands of the Orillia System, but has some surplus power which may be purchased by the Severn System. Any power which the Wasdell's System delivers to the Orillia Commission at Longford is delivered by the Swift Rapids plant to the Big Chute plant, and no charge is made for this interchange of power between the systems of the Power Commission due to parallel operation. Power from the Orillia Commission is only paid for by the Power Commission when it is specifically ordered, and all power specifically ordered over and above the amount which Wasdell's delivers to Orillia is paid for at the rate of one-quarter of a cent per kilowatt-hour.

which had been rendered useless on account of these "small" improvements, the demand of the Orillia Commission on the Severn System exceeded 2,000 horse-power, and a considerable portion of this amount was supplied by the Washell's System. In the records of the Power Commission, the power from the Washell's System is considered to be supplied to the Severn System, and then it is delivered to the Orillia Commission. The Severn System for some years purchased large amounts of power from the Niagara System and the Washell's System, but by the end of the fiscal year 1931 the Niagara System required the full output of the Niagara Falls development and there was no surplus power for the Severn System. However, the Washell's System has still a few hundred horse-power available for the Severn System and the new plant at Swift Rapids not only supplies the local demands of the Orillia System, but has some surplus power which may be purchased by the Severn System. Any power which the Washell's System delivers to the Orillia Commission at Langford is delivered by the Swift Rapids plant to the Big Chute plant, and no charge is made for this interchange of power between the systems of the Power Commission due to parallel operation. Power from the Orillia Commission is only paid for by the Power Commission when it is specifically ordered, and all power specifically ordered over and above the amount which Washell's delivers to Orillia is paid for at the rate of one-cent per kilowatt-hour.

The parallel operation of these four plants has given very satisfactory service to the four systems concerned. The high head and large storage capacity of the Eugenia development make it very efficient as a peak load plant, and it is possible for it to draw power from the Severn System and conserve the water above the Eugenia development to be used during the period of peak load on the combined systems.

These plants serve that section of the Province of Ontario which lies between Port Perry and Uxbridge in Ontario County on the extreme east, and Tara and Kincardine in Bruce County on the extreme west, comprising two-thirds of Ontario County, a small portion of Victoria County, all of Simcoe County, Dufferin County, Grey County and Bruce County, and a small portion of the northern sections of Wellington and Huron Counties.

WJF.
p.12

A map showing the location of generating stations, transformer stations and transmission lines in the system forms the frontispiece of this report.

Land and Water Rights	\$3,140.00	
Dams and Water Structures	19,032.00	
Power House	24,110.00	
Equipment	44,544.00	

Investment	\$141,826.00	
Fixed Costs		

From the above it will be noted that the investment in the system does not include any amount for intangibles.

Exhibit

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The principal operation of these four plants has given very satisfactory service to the town systems concerned. The high head and large storage capacity of the Niagara development make it very efficient as a peak load plant, and it is possible for it to draw power from the Niagara system and contribute the water above the Niagara development to be used during the period of peak load on the remaining systems.

These plants cover that section of the Province of Ontario which lies between Fort Perry and Windsor in Ontario County on the extreme east, and Essex and Windsor in Essex County on the extreme west, comprising two-thirds of Ontario County, a small portion of Windsor County, all of Simcoe County, Waterloo County, Grey County and Bruce County, and a small portion of the northern section of Wellington and Huron Counties.

A map showing the location of generating stations, transformer stations and transmission lines in the system forms the frontispiece of this report.

The purpose of the report is to provide a general description of the system and to show the results of the operation of the system during the year 1912. The report is divided into two parts, the first of which describes the system and the second of which describes the results of the operation of the system during the year 1912.

As at October 31st, 1921, the engineers of the Commission estimate GENERAL ECONOMICS funds of \$125,000.00 and of \$25,000.00 would be required for the system during 1922 and 1923 to be expended as follows:

Capital Investment

Pursuant to authority conferred by Order-in-Council of the Province of Ontario, the Commission purchased property adjoining Wasdell's Falls from Adam Dobson of Cannington for the sum of \$5,200.00 in 1913, and undertook the construction of a hydro-electric development plant to supply power to the Beaverton and Cannington district.

At October 31st, 1921, the Commission had an investment in the works of the Wasdell's System of \$335,382.00 comprising the following:

Power Development	\$141,885.00	
Wood Pole Lines	154,189.00	
Transformer Stations	26,909.00	P.W.
Rural Lines	12,399.00	P.S.
Hydro-Electric Distribution		

\$335,382.00

The following table indicates the capital costs per rated horse-power for the years 1914 to 1921 inclusive:

	1914	1915	1916	1917	1918	1919	1920	1921
Power Development								
Land and Water Rights	\$8,140.00	\$107.70	\$144.00	\$145.00				
Dams and Water Structures	19,083.00							
Power House	50,118.00	122.20	175.70					
Equipment	64,544.00							
Transmission								
Lines								
Transformers								
Distribution								
Lines								
Total	\$141,885.00	17.10	50.50	51.50				

From the above it will be noted that the investment in the system does not include any amount for

intangibles.

GENERAL INFORMATIONGeneral Information

Payment to authority controlled by Government

Council of the Province of Ontario, the Commission purchased

property adjoining Washell's Falls from Adam Deacon of

Washington for the sum of \$8,500.00 in 1913, and undertook

the construction of a hydro-electric development plant to

supply power to the Beaverton and Gannanston districts.

At October 1st, 1921, the Commission had an

investment in the works of the Washell's System of

\$338,382.00 comprising the following:

Power Development	\$141,882.00
Wood Pole Lines	124,122.00
Transformer Stations	26,992.00
Rural Lines	12,332.00

\$338,382.00

The investment in the power development of

\$141,882.00 as above is represented by:

Land and Water Rights	\$6,140.00
Dams and Water Structures	19,022.00
Power House	20,110.00
Equipment	44,444.00

\$141,882.00

From the above it will be noted that the in-

vestment in the system does not include any amount for

insurance.

HYDRO-ELECTRIC INQUIRY COMMISSION

COPY FOR ENCLOSURE TO

As at October 31st, 1921, the engineers of the Commission estimated that additional funds of \$120,000.00 and of \$35,000.00 would be required for the system during 1922 and 1923 to be expended as follows:

Particulars	Year ending October 31st,		
	1922	1923	
Stations and lines from			
Uxbridge to Port Perry	\$55,500.00	-	
Miscellaneous betterments	10,000.00	\$10,000.00	P.W.
Rural Expenditures	54,500.00	25,000.00	p.7.
	<u>\$120,000.00</u>	<u>\$35,000.00</u>	

If these proposed expenditures are carried out the investment in the system at the close of the fiscal year 1923 will be approximately \$490,000.00 of which \$22,000.00 will be represented by rural lines, a portion of which the Commission will doubtless recommend to be charged against the Province in accordance with the provisions of the Rural Hydro-Electric Distribution Act, 1921.

The following table indicates the capital costs		WJF.
per rated horse-power for the years 1914 to 1921 inclusive:		p.27 & 29.
Years ending October 31st,		
	1914 1915 1916 1917 1918 1919 1920 1921	
Power Development	\$151.20 \$154.50 \$158.90 \$162.70 \$163.40 \$163.70 \$164.80 \$165.00	
Transmission Lines	109.40 110.70 133.00 128.20 128.50 128.20 178.70 179.30	
Transformer		
adistributing Stations	4.00 13.60 15.80 16.90 17.10 17.10 30.50 31.50	
Rural Lines	- - - - 5.10 9.00 13.10 14.40	
Total -	\$244.60 \$280.80 \$307.70 \$307.80 \$314.10 \$318.00 \$387.10 \$390.00	

As at October 31st, 1921, the engineers of the Commission estimated that additional funds of \$120,000.00 and of \$35,000.00 would be required for the system during 1922 and 1923 to be expended as follows:

Particulars		Year ending October 31st	
		1922	1923
Stations and lines from			
Uxbridge to Fort Perry		\$88,500.00	-
Missionary settlements		10,000.00	\$10,000.00
Rural expenditures		21,500.00	15,500.00
		\$120,000.00	\$35,000.00

It these proposed expenditures are carried out the investment in the system at the close of the fiscal year 1923 will be approximately \$430,000.00 of which \$22,000.00 will be represented by rural lines, a portion of which the Commission will doubtless recommend to be charged against the Province in accordance with the provisions of the Rural Hydro-Electric Distribution Act, 1911.

The following table indicates the capital costs per rated horse-power for the years 1914 to 1921 inclusive:

	Year ending October 31st						
	1914	1915	1916	1917	1918	1919	1921
Power De-							
velopment	\$121.20	\$114.20	\$108.20	\$102.20	\$96.20	\$90.20	\$84.20
Transmis-							
sion	100.40	110.70	122.00	133.30	144.60	155.90	167.20
Transformer							
station	4.00	13.60	18.20	22.80	27.40	32.00	36.60
Rural lines	-	-	-	-	8.10	8.00	14.40
Total -	\$245.60	\$248.50	\$250.40	\$257.30	\$268.20	\$275.10	\$298.20

HYDRO-ELECTRIC INQUIRY COMMISSION

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It will be seen from the above that the capital costs per rated horse-power increased in each of the years from 1914 to 1921.

Reserve for Renewals

The balance in the reserve for renewals account at October 31st, 1921, amounted to \$38,973.73, comprising the following:

Period	Annual Accrual based upon 2% of the Capital Investment	Interest at 4%	Together
1915 to October 31, 1916	\$ 9,522.91	\$ 180.70	\$9,703.61
Fiscal year ending			
October 31, 1917	5,259.68	368.14	5,647.82
1918	5,315.37	614.05	5,929.42
1919	5,315.30	851.23	6,166.53
1920	5,938.86	1,097.88	7,036.24
1921	6,442.28	1,379.34	7,828.62
<u>Together</u>	<u>\$37,800.90</u>	<u>\$4,511.34</u>	<u>\$42,312.24</u>
<u>Deduct</u>			
Cost of new ventilator and roof		\$243.27	
Replacement of cross-arms, etc.		474.26	
Reserve accrued on steel cable			
replaced		1,810.45	
Cost of rotary pump, complete		350.10	
Reserve applicable to equipment			
transferred		265.10	
		<u>\$3,143.18</u>	
Interest applicable to above charges		195.33	5,338.51
Balance at October 31, 1921			<u>\$38,973.73</u>

The reserve for renewals has been provided through the inclusion in the cost of power to the municipalities

It will be seen from the above that the capital

costs per rated horse-power increased in each of the years

from 1914 to 1921.

Reserve for Depreciation

The balance in the reserve for depreciation amounts

as October 31st, 1921, amounted to \$28,973.78, comprising

the following:

Period	Annual Interest based upon 24 of the Capital Investment	Interest at 24
1914 to October 31, 1916	\$ 2,322.71	\$ 100.70
Special year ending October 31, 1917	8,207.68	350.16
1918	8,212.57	344.08
1919	8,212.80	341.25
1920	8,232.85	1,097.80
1921	8,442.85	1,512.54
Total	\$27,600.30	\$4,611.24
		\$28,973.78

Reserve

Cost of new ventilator and roof

Replacement of cross-arms, etc.

Repairs worked on steel cable

replaced

Cost of rotary pump, complete

Reserve applicable to equipment

transferred

Interest applicable to above charges

Balance as October 31, 1921

The reserve for renewals has been provided through the inclusion in the cost of power to the municipalities

of an annual charge of $3\frac{1}{2}\%$ on the capital investment, together with interest at 4% per annum on the balance of the reserve to October 31st, 1919. During 1920, upon the advice of its engineers, the Commission reduced the annual renewal rate from $3\frac{1}{2}\%$ to 2% , while the interest rate of 4% remained unchanged.

The accounts of the Commission were so adjusted that the rate of 2% was made effective from the inception of the system to October 31st, 1919, and this adjustment resulted in a reduction of \$20,585.60 in the renewal reserve which has been applied to the following municipalities as a reduction in the cost of power supplied to them during this period:

Beaverton	\$4,786.70
Brechin	3,659.49
Cannington	4,599.05
Sunderland	3,733.72
Woodville	<u>3,806.64</u>

Total - \$20,585.60

The annual rate of 2% was determined by a reclassification of the properties as reflected in the book accounts at October 31st, 1920, made by the Engineering Department of the Commission.

Reserve for Sinking Fund

Under section 25(b) of the Power Commission Act, the Commission is required to provide "an annual sum sinking fund collectible at October 31st, 1921. From the

P.W.
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of an annual charge of 3% on the capital investment, together with interest at 4% per annum on the balance of the reserve to October 31st, 1919. During 1920, upon the advice of its engineers, the Commission reduced the annual renewal rate from 5% to 3%, while the interest rate of 4% remained unchanged.

The accounts of the Commission were so adjusted that the rate of 4% was made effective from the inception of the system to October 31st, 1919, and this adjustment resulted in a reduction of \$20,885.60 in the renewal reserve which has been applied to the following municipalities as a reduction in the cost of power supplied to them during this period:

Beaverton	\$4,785.70
Brechin	3,889.48
Gunnings	4,593.08
Thunderland	3,733.73
Woodville	3,885.64
Total	\$20,887.63

The annual rate of 3% was determined by a reclassification of the properties as reflected in the book accounts at October 31st, 1920, made by the Engineering Department of the Commission.

Reserve for sinking fund

Under section 23(b) of the Power Commission Act, the Commission is required to provide "an annual sum

sufficient to form in thirty years with interest at 4 per cent. per annum, a sinking fund for the repayment of the advances made by Ontario under this Act for the payment of the cost of the works", and under the second main paragraph of the same section "a municipal corporation which has entered into or shall hereafter enter into a contract with the Commission for a supply of power may be relieved by the Commission from payment of any sum on account of the sinking fund account for the first five years, during which payments are made to the Commission by the corporation, under such contract, and the amounts required from such corporation on sinking fund account shall be payable during the then next ensuing thirty years".

All municipalities on the Wasdell's System were relieved from payment of sinking fund for a period of five years and from the dates that sinking fund collections were started to October 31st, 1921, the amounts provided and included as a part of the cost of power, together with interest are as follows:

Municipalities	\$5,186.02
Severn System	3,337.11
Companies	2,434.52
Rural Lines	611.43
Interest at 4%	211.86
Total -	\$11,780.94

The above shows the aggregated amount of sinking fund collectible at October 31st, 1921, from the cost sinking fund charges in the amount of \$11,780.94, the

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& 15.

entitled to form in thirty years with interest at 4 per cent. per annum, a sinking fund for the repayment of the debt as made by Ontario under this act for the payment of the cost of the works, and under the second main paragraph of the same section "a municipal corporation which has entered into or shall hereafter enter into a contract with the Commission for a supply of power may be relieved by the Commission from payment of any sum on account of the sinking fund account for the first five years, during which payments are made to the Commission by the corporation, under such contract, and the amounts repaid from such corporation on sinking fund account shall be paid in during the then next ensuing thirty years."

All municipalities on the Council's system were relieved from payment of sinking fund for a period of five years and from the date the sinking fund collections were started on October 31st, 1921, the amounts provided and included as a part of the cost of power, together with interest are as follows:

Municipalities	\$5,100.00
Power System	2,227.11
Corporations	2,422.82
Interest at 4%	211.00
Total	\$10,060.93

The above shows the aggregated amount of sinking fund collectible at October 31st, 1921, from the

five municipalities which had taken power for six years or longer, the initial charge being made in the sixth year's power cost.

Mr. Francis points out in his report on the Wasdell's System that the question of the Severn System being charged with sinking fund, and so, theoretically at least, obtaining an equity in the Wasdell's System should be studied and the accounts adjusted if necessary.

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The sinking fund reserve of the Wasdell's System at October 31st, 1921, included the following amounts as applying to power supplied the Severn System:

Year ending October 31st, 1920	\$1,788.52
Year ending October 31st, 1921	<u>1,548.59</u>
T o t a l -	<u>\$3,337.11</u>

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During the year 1920, power was furnished the Severn System at a fixed rate of \$25.00 per horse-power. After providing for sinking fund of \$1,788.52 on the portion of works used in the generation and transmission of such power, the Wasdell's System incurred a loss of \$2,295.00. It will, therefore, be noted that the flat rate of \$25.00 per horse-power was inadequate to provide for operating expenses and fixed charges inclusive of sinking fund in this year.

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In the year 1921, when the Severn System was supplied power at actual cost, and paid as a part of such cost sinking fund charges in the amount of \$1,548.59, the

five municipalities which had taken power for six years or longer, the initial charges being made in the sixth year's power cost.

Mr. Yonke points out in his report on the Washelli's system that the question of the Severn System being charged with sinking fund, and so, theoretically at least, obtaining an equity in the Washelli's system should be studied and the accounts adjusted if necessary.

The sinking fund reserve of the Washelli's

system as October 31st, 1921, included the following amounts as applied to power supplied the Severn System:

Year ending October 31st, 1920	\$1,738.25
Year ending October 31st, 1921	1,846.25
	\$3,584.50

Y o n k e

During the year 1920, power was furnished the

Severn System at a fixed rate of \$28.00 per horse-power.

After providing for sinking fund of \$1,738.25 on the portion of works used in the generation and transmission of such power, the Washelli's system incurred a loss of \$2,225.00. It will, therefore, be noted that the fixed rate of \$28.00 per horse-power was inadequate to provide for operating expenses and fixed charges inclusive of sinking fund in this year.

In the year 1921, when the Severn System was

applied power at actual cost, and paid as a part of such cost sinking fund charges in the amount of \$1,846.25, the

question arises whether or not the municipalities on the Severn System are acquiring an interest in the Wasdell's System with the payment of sinking fund.

In this same connection our Auditors have made the following comment:

"Equity of System Receiving
Power or System Furnishing Power"

Where there is an interchange of power between Systems and the charge for such power is on the basis of cost the consumers on the lines of the system receiving and using the power will be in the position of paying for and acquiring equities in the plant and property of the system where the power is generated to the extent that provisions for sinking funds are made."

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Reserve for Contingencies

The Commission established a reserve for contingencies to provide for losses not arising at regular intervals or not wholly applicable to the period in which they were incurred.

The reserve is built up by:

- (a) Charges to the municipalities, to sundry customers and to the Severn System at the rate of 25¢ per horse-power per annum included as part of the cost of power delivered to them.
- (b) Profit from the sale of equipment.
- (c) Interest at 4% per annum.

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question arises whether or not the municipality as the
 system is required to pay an interest in the municipality's
 system with the payment of sinking fund.
 In this case connection with the above have made

the following comments:

"Reply of System Receiving
 Town or System Receiving Power"

There is an interchange of power
 between system and the charge for such power is
 on the basis of cost the consumers on the lines of
 the system receiving and using the power will be in
 the position of paying for and receiving services
 in the plant and property of the system where the
 power is generated to the extent that provisions
 for sinking funds are made."

Reserve for Contingencies

The Commission established a reserve for con-
 tingencies to provide for losses not arising at regular
 intervals or not wholly applicable to the period in which
 they were incurred.

The reserve is built up by:

- (a) Charges to the municipality, to
 supply contracts and to the system
 system at the rate of 2% per annum
 power per annum included as part of
 the cost of power delivered to them.
- (b) Profit from the sale of equipment.
- (c) Interest at 4% per annum.

(a) Power Account Receivable.

(b) At October 31st, 1921, the balance in the reserve account was \$240.64 made up as follows:

Amounts included as part
of the cost of power delivered -

To Municipalities	\$874.66	
To private companies	74.23	\$ 449.99
Severn System - proportionate charge on power purchased		653.33
Net profit on sales of aluminum, cable and sundry equipment		12,514.70
Interest at 4% per annum		1,625.49
Total Credits		\$15,342.41

Deduct

Expenditures in 1920 applied against the cost of stringing aluminum cable on a large portion of the system	\$14,519.07	
To meet losses in 1920 on power sold to private companies	582.70	\$15,101.77
Balance as at October 31st, 1921		\$ 240.64

It is the opinion of our Consulting Engineer that the reserve should be built up by increasing the annual allowance for contingencies until the reserve reaches \$5,000.00 or \$10,000.00 when the rates can be readjusted to suit conditions which have been found after several further years of operation.

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p.40.

Accounts with Municipalities

Accounts with municipalities are divided by the Commission as follows:

to October 31st, 1931, the balance in the

reserve account was \$240.64 made up as follows:

Amounts included as part
of the cost of power delivered -

\$10,000.00	To Municipalities
\$14.88	To private companies
\$140.00	System - proportionate
\$100.00	charges on power purchased
\$10,000.00	Net profits on sales of aluminum
\$1,000.00	and other property
\$1,000.00	Interest at 4% per annum
\$10,000.00	Total Credits

Debit

Expenses in 1930 of \$10,000.00
against the cost of acquiring
aluminum cable on a large
portion of the system
to meet losses in 1930 on power
sold to private companies

\$10,000.00	
\$10,000.00	
\$10,000.00	
\$10,000.00	

Balance as at October 31st, 1931

It is the opinion of our Consulting Engineer

that the reserve should be built up by increasing the annual
allowance for contingencies until the reserve reaches \$2,000.00
or \$10,000.00 when the rate can be readjusted to suit con-

ditions which have been found after several further years of
operation.

Amounts with Municipalities

Amounts with municipalities are divided by the

Commission as follows:

(a) Power Accounts Receivable.

(b) Due by or to municipalities in respect of the cost of power furnished them as determined under the Power Commission Act.

(a) Power Accounts Receivable

At October 31st, 1921, the balance of power accounts receivable amounted to \$6,665.12. These accounts represent unpaid balances in respect of interim power bills which are paid currently by the municipalities, and were all paid prior to September 20th, 1922, the date on which these accounts were examined by our Auditors.

(b) Due by Municipalities in respect of the cost of power

At the close of each fiscal year, the interim power bills rendered monthly are adjusted to meet the operating costs of the system, as provided by the Power Commission Act.

It does not appear to be the practice of the municipalities to pay in cash these additional charges, but instead the Commission increases the interim rates in subsequent periods and thereby reduces the accumulated deficits of prior periods.

Regarding the payment of these deficits, section 23a of the Power Commission Act provides that

"The Commission may from time to time during the first three years after any municipality shall first begin to take power from the Commission extend the time for payment of the sums payable by any municipality."

- (a) Power accounts receivable.
- (b) Due by or to municipalities in respect of the cost of power furnished them as determined under the Power Commission Act.

(c) Power accounts receivable

At October 31st, 1931, the balance of power

accounts receivable amounted to \$4,688.12. These accounts represent unpaid balances in respect of interim power bills which are paid currently by the municipalities, and were all paid prior to September 30th, 1932, the date on which these accounts were examined by the Auditor.

(d) Due by municipalities in respect of the cost of power

At the close of each fiscal year, the interim

power bills rendered monthly are adjusted to meet the operating costs of the system, as provided by the Power Commission Act.

It does not appear to be the practice of the

municipalities to pay in each month these additional charges, but instead the Commission increases the interim rates in subsequent periods and thereby reduces the accumulated deficits of prior periods.

Regarding the payment of these deficits, section

22a of the Power Commission Act provides that

"The Commission may from time to time during the first three years after any municipality shall first begin to take power from the Commission extend the time for payment of the same payable by any municipality. . . ."

Some of the following balances extend back to the first year of operation and beyond the three year limit in which municipalities are allowed to accumulate amounts owing to the Commission in respect of the cost of power. At October 31st, 1921, five of the six municipalities on the system were in default in payment of their power bills. A list of the balances owing by the municipalities on the Waddell's System at October 31st, 1921, is as follows:

From Municipality	Beaverton	\$4,751.99			
From Severn	Brechin	3,680.19			
From private	Cannington	3,645.65			
	Kirkfield	307.02			
Total	Sunderland	3,567.46			
	Woodville	3,145.09			
Total -		\$19,117.39			

Results of Operation

Power is supplied the municipalities on the

Waddell's System on a cost basis as outlined in the Power Provision for Municipalities Commission Act. The cost of such power consists of:-

1. Operating and maintenance expenses.

2. Interest on monies invested in the

works of the system.

3. Provision for the renewal of the reserve for works.

4. Sinking fund on a thirty year basis

to repay the investment in the system.

Power is also supplied the Severn System on a

cost basis and the Crushed Stone Company, Limited, at fixed

rates. However, up to the fiscal year ending October 31st,

Some of the following balances extend back to the first year of operation and beyond the three year limit in which municipalities are allowed to accumulate amounts owing to the Commission in respect of the cost of power. At October 31st, 1931, five of the six municipalities on the system were in default in payment of their power bills. A list of the balances owing by the municipalities on the Washelli's System at October 31st, 1931, is as follows:

Beaverston	\$4,751.22
Brechin	2,433.12
Canaryton	2,442.00
Kirkcaldy	307.00
Washelli's	2,557.44
Woodville	2,742.00
Total	\$15,117.22

P.W.
Ex. 4.

Washelli's System

Power is supplied the municipalities on the Washelli's System on a cost basis as outlined in the Power

Commission Act. The cost of each power consists of:-

1. Operating and maintenance expenses.
2. Interest on monies invested in the works of the system.

3. Provision for the renewal of the works.

4. Sinking fund on a thirty year basis to repay the investment in the system.

Power is also supplied the Beaver System on a cost basis and the Dundee Water Company, Limited, at fixed rates. However, up to the latest year ending October 31st,

The loss shown above as transferred to the non-revenue account for 1921, the Severn System received power at a flat rate of \$25.00 per horse-power.

The operating account of the system for the four years ending October 31st, 1921, is as follows:

P.W.
Ex.1
& 1a

Particulars	Year ending October 31st 1918	1919	1920	1921
Revenue				
From Municipalities	\$19,974.65	\$16,214.76	\$21,650.09	\$21,588.58
From Severn System	9,125.42	15,508.94	12,416.88	12,363.60
From private companies	-	-	5,097.07	8,440.00
Total Revenue	\$29,100.08	\$31,723.70	\$39,164.04	\$42,392.18
Operating Expenses				
	9,018.11	10,680.10	14,732.52	15,569.03
Balance	\$20,081.97	\$21,043.60	\$24,431.52	\$27,023.15
Less - Fixed Charges				
Interest	\$10,650.73	\$11,516.53	\$13,526.10	\$14,672.10
Provision for Renewals	9,301.89	9,301.79	5,938.36	6,449.28
Provision for Sinking Fund	-	-	5,296.52	5,661.13
Provision for Contingencies	149.35	225.28	253.24	240.64
Total fixed charges	\$20,081.97	\$21,043.60	\$25,014.22	\$27,023.15
Loss - transferred to reserve for contingencies			\$582.70	
Total horse-power billed	597.4	901.1	910.0	962.5
Cost per horse-power billed	\$48.71	\$35.21	\$43.67	\$46.90

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1931, the Severn System received power at a rate of \$25.00 per horse-power.

The operating account of the system for the

year ending October 31st, 1931, is as follows:

Year ending October 31st
1931 1930 1929

Revenue
From private companies -
From Severn System -
From Municipalities -
Total Revenue

Loss -
Operating Expenses
Balance

Loss - Fixed Charges
Interest
Provision for Renewals
Provision for Sinking Fund
Provision for Contingencies
Total fixed charges

Loss - transferred to reserve for contingencies

Total horse-power billed
Cost per horse-power billed

accounts of the Commission are subject to an adjustment in renewal charges of \$20,000.00, of which \$7,975.00

The loss shown above as transferred to the contingency reserve was sustained in supplying power to the Crushed Stone Company, Limited. Losses arising in this connection for 1921 have been charged against the various municipalities on the system. The profits or losses arising from the sale of power to the Severn System have also been

applied against the municipalities. These profits or losses will be commented on hereinafter.

The revenue shown in the aforestated operating account includes the final power bills rendered the municipalities to adjust the interim rates to actual cost. The

interim rates charged for power failed in the aggregate to meet the actual cost except in the year 1921, when the

interim rate exceeded the actual cost of power supplied in the amount of \$2,185.00. The deficiency for the remaining three years of the period under review is as follows:

1918	\$8,995.00	
1919	2,490.00	P.W.
1920	1,087.00	p.18.
	<u>\$12,570.00</u>	

It will therefore be noted that during the period from 1918 to 1921 inclusive, revenue based on the interim power bills failed in the aggregate to meet operating expenses and fixed charges in the amount of \$10,385.00.

The operating accounts from the inception of the system to October 31st, 1919, as stated in the published

The loss shown above as transferred to the emergency reserve was retained in supplying power to the Grinnell Electric Company, Limited. Losses arising in this connection for 1921 have been charged against the various municipalities on the system. The profits or losses arising from the sale of power to the Government have also been applied against the municipalities. These profits or losses will be itemized as hereafter.

The revenue shown in the statement operating account includes the final power bill rendered the municipality to adjust the interim rates to actual cost. The interim rates charged for power failed in the aggregate to meet the actual cost except in the year 1921, when the interim rate exceeded the actual cost of power supplied in the amount of \$2,155.00. The deficiency for the remaining three years of the period under review is as follows:

	1918	1919	1920
	\$4,993.68	\$4,450.00	\$1,087.00
P.V.			
P.L.			
	\$12,875.00		

It will therefore be noted that during the period from 1918 to 1921 inclusive, revenue based on the interim power bills failed in the aggregate to meet operating expenses and fixed charges in the amount of \$10,882.00. The operating accounts from the inception of the system to October 31st, 1919, as stated in the published

accounts of the Commission are subject to an adjustment in renewal charges of \$20,565.60, of which \$7,975.00

The following is a table of the actual horse-power loads taken by the municipalities as compared with the and 1919, and has the effect of reducing the operating costs and fixed charges as shown by the aforesaid operating account and also the final costs per horse-power as follows:

	1918	1919	1920	1921
Operating expenses and fixed charges per operating account	\$29,100.08	\$31,723.70	\$39,746.74	\$42,392.18
Less - Reduction in Renewal Charges	3,987.00	3,986.00	-	-
Adjusted Costs	\$25,113.08	\$27,737.70	\$39,746.74	\$42,392.18
Horse-power billed	597.4	903.1	910.0	962.5
Cost per horse-power billed as adjusted	\$42.04	\$30.78	\$43.67	\$46.90

From the operating account as adjusted, it will be noted that the cost per horse-power billed decreased considerably during 1919 and increased during 1920 and 1921. The following table showing the detailed costs per horse-power billed illustrates in what respect and to what extent the costs have varied:

	1918	1919	1920	1921
Operation	\$6.36	\$5.94	\$6.71	\$8.52
Maintenance	4.25	1.93	3.92	3.69
Overhead & General Expenses	4.50	3.99	5.57	4.77
Interest	17.82	12.79	14.66	16.25
Renewals	8.86	5.88	6.52	7.15
Sinking Fund	-	-	5.81	6.28
Contingencies	.25	.25	.28	.26
	\$42.04	\$30.78	\$43.67	\$46.90

As shown by the foregoing, the actual cost has exceeded the estimated cost in all of the municipalities on the system.

accounts of the Commission are subject to an adjustment in general charges of \$20,288.00, of which \$7,975.00 exclusive of interest, is applicable to the years 1919 and 1920, and the effect of reducing the operating costs and fixed charges as shown by the statement operating account and also the final costs per horse-power as follows:

	1919	1920	1921
Operating expenses and fixed charges per operating account less - deduction in Renewal charges	\$2,927.90	\$1,284.00	-
Adjusted costs	\$23,112.08	\$24,721.70	\$22,744.94
Horse-power billed	287.4	285.1	210.0
Cost per horse-power billed as adjusted	\$80.44	\$86.72	\$108.57

From the operating account as adjusted, it will be noted that the cost per horse-power billed decreased considerably during 1919 and increased during 1920 and 1921. The following table showing the detailed costs per horse-power billed illustrates in what respect and to what extent the costs have varied:

	1919	1920	1921
Operation	\$6.28	\$6.94	\$6.71
Maintenance	4.28	1.93	2.92
Overhead & General Expenses	4.20	2.92	2.87
Interest	17.62	12.79	14.92
Renewals	9.82	8.82	7.12
Blanking fund	-	-	9.51
Contingencies	2.28	2.28	2.28
	\$42.04	\$50.78	\$45.57

The following is a table of the actual horse-power loads taken by the municipalities as compared with the estimated load upon which the Commission based its estimated cost for supplying power to the municipalities:

Municipality	Date Power was First Taken	Yearly Minimum Load	Yearly Maximum Load	Average Yearly Load to Oct. 31/21	P.W. Ex.I. Estimated Load Required.
Beaverton	Oct. 1914	53.5	107.4	78.0	250.0
Brechin	Dec. 1914	30.4	46.6	36.7	50.0
Cannington	Oct. 1914	50.2	81.1	64.4	175.0
Kirkfield	June 1920	13.9	13.9	13.9	50.0
Sunderland	Oct. 1914	24.0	49.5	40.0	80.0
Woodville	Oct. 1914	35.9	57.2	42.8	70.0
Total				275.8	675.0

From the above it will be noted that estimated loads exceeded the actual average yearly loads by approximately 399.2 horse-power or 144%.

The following is a table of the estimates as submitted to the municipalities on the Wasdell's System as compared with the actual cost of power supplied during the full year periods of operation:

Municipality	Yearly Minimum Actual	Yearly Maximum Actual	Yearly Average Actual	Estimated cost pre- pared by Hydro	Per cent. of Actual Cost over estim- ated cost
	H. P.	H. P.	H. P.		
Beaverton	\$20.42	\$71.70	\$48.92	\$27.99	74
Brechin	28.04	93.66	69.69	35.29	97
Cannington	26.86	77.42	53.51	33.95	57
Kirkfield	70.65	70.65	70.65	45.00	57
Sunderland	35.42	94.41	68.28	44.54	53
Woodville	31.79	34.07	63.82	41.91	52

As shown by the foregoing, the actual cost has exceeded the estimated cost in all of the municipalities on the system.

Sale of Power to the Severn System

The following table shows the revenue received by the Wasdell's System from the sale of power to the Severn System, together with the expenses applicable thereto for the four years ending October 31st, 1921 (cents omitted):

Charge per kilowatt hour	1918	1919	1920	1921
Revenue	\$9,125	\$15,509	\$12,417	\$12,363
Operating Expenses and fixed charges	12,312	14,920	14,712	12,363
Profit or Loss	\$3,187	\$589	\$2,295	-

P.W.
p.8.

Horse-power billed	382.8	613.4	492.1	423.2
Cost per horse-power billed	\$25.15	\$25.28	\$25.23	\$29.21

2 - Average horse-power billed, reduced by line loss thereby increasing the flat rate of \$25.00.

The profits and losses shown above have been credited or charged against the municipalities on the system. It might be well to mention that from the date power was first supplied the Severn System, to October 31st, 1917, a profit of \$7,499.00 was realized which when taken into consideration with the profits and losses shown above results in a net profit of \$2,606.00 which was credited to the municipalities and resulted in a slight reduction in the cost of power to them over the period from September 1916 to October 31st, 1921.

Sale of Power to Companies

The Commission began supplying power to the

Sale of Power to the Bovera System

The following table shows the revenue received by the Bovera System from the sale of power to the Bovera System, together with the expenses applicable thereto for the four years ending October 31st, 1921 (as then existed):

	1918	1919	1920	1921
Revenue	\$2,125,412.80	\$12,417,417.32		
Operating Expenses and Fixed Charges	\$1,212,412.80	\$1,417,417.32		
Profit or Loss	\$913,000.00	\$8,000,000.00		

Revenue per horse-power billed
Cost per horse-power billed

Average horse-power billed, reduced by line loss thereby increasing the flat rate of \$22.00.

The profits and losses shown above have been credited or charged against the municipalities on the system. It might be well to mention that from the date power was first supplied the Bovera System, to October 31st, 1917, a profit of \$7,422.00 was realized which when taken into consideration with the profits and losses shown above results in a net profit of \$2,802.00 which was credited to the municipalities and resulted in a slight reduction in the cost of power to them over the period from September 1916 to October 31st, 1921.

Sale of Power to Bovera

The Commission began supplying power to the

Crushed Stone Company, Limited, in the fiscal year ending October 31st, 1920, under terms of a contract for a period of five years from April 22nd, 1920, with extension privileges, at a rate of \$1.00 per month per horse-power of these rural lines for the four years ending October 31st, 1921, and as follows: charge per kilowatt hour on a differential basis.

The following shows the revenue received from the sale of power to the Crushed Stone Company, Limited, with the relative operating expenses and fixed charges for the two years ending October 31st, 1921:

	1920	1921
Revenue	\$5,097.00	\$8,440.00
Operating expenses and fixed charges	5,679.00	10,755.00
Loss	\$582.00	\$2,315.00

P.W.
p.8.

The loss for 1920 was transferred to the contingency reserve, while the loss for 1921 was charged to the various municipalities on the system in proportion to the amounts paid by them in respect of maintenance and certain operating costs of the system.

Rural Lines

At October 31st, 1921, rural lines on the Wasdell's System were operated by Beaverton, Brechin, Sunderland and Woodville.

Graded Stone Company, Limited, in the fiscal year ending October 31st, 1920, under terms of a contract for a period of five years from April 2nd, 1920, with extension privileges, at a rate of \$1.00 per month per horse-power of maximum demand, on a service charge, plus a consumption charge per kilowatt hour on a differential basis.

The following shows the revenue received from the sale of power to the Graded Stone Company, Limited, with the relative operating expenses and fixed charges for the two years ending October 31st, 1921:

	1920	1921
Revenue	\$2,097.00	\$8,440.00
Operating expenses and fixed charges	\$5,678.00	10,783.00
Loss	\$3,581.00	\$2,343.00

The loss for 1920 was transferred to the emergency reserve, while the loss for 1921 was charged to the various municipalities on the system in proportion to the amounts paid by them in respect of maintenance and certain operating costs of the system.

Fixed Lines

At October 31st, 1921, fixed lines on the system were operated by Beaverton, Franklin, and

Wendell and Woodville.

These municipalities collect the revenue, maintain the lines and pay the Commission interest and sinking fund on the investment.

The interest and sinking fund collected on these rural lines for the four years ending October 31st, 1921, are as follows:

	<u>Interest</u>	<u>Sinking Fund</u>	<u>Total</u>
1918	\$100.00	\$29.03	\$129.03
1919	478.54	140.31	618.85
1920	583.29	199.39	782.68
1921	743.60	219.65	963.25
Total	\$1,905.43	\$588.38	\$2,493.81

COPY

Agreements with Orillia

The Commission has two agreements with the Orillia Water, Light & Power Commission covering the purchase and sale of power. One of these agreements is dated December 9th, 1919, and runs for a period of fifteen years. The other agreement dated September 1st, 1922, extends to September 1st, 1923. These agreements are commented on more fully in this report under the heading "General Relations".

A study of the accounts as of October 31st, 1921, shows that these agreements have had no effect on the Wasdell's System as all power sold by it other than to its own consumers has been furnished the Severn System.

These municipalities collect the revenue, maintain the lines and pay the Commission interest and sinking fund on the investment.

The interest and sinking fund collected on these bonds for the four years ending October 31st, 1921, are as follows:

Interest	Sinking Fund	Total
1918 \$100.00	\$20.00	\$120.00
1919 475.44	140.31	615.75
1920 482.29	129.27	611.56
1921 745.00	219.44	964.44
Total \$1,902.73	\$509.02	\$2,411.75

COPY

Agreements with Otillia

The Commission has two agreements with the Otillia Water, Light & Power Commission covering the purchase and sale of power. One of these agreements is dated December 21st, 1915, and runs for a period of fifteen years. The other agreement dated September 1st, 1922, extends to September 1st, 1933. These agreements are commented on more fully in this report under the heading "General Relations".

A study of the accounts as of October 31st, 1921, shows that these agreements have had no effect on the Otillia's system as all power sold by it other than to the two customers has been furnished the Beaver system.

All accounts relating to the exchange of power between the Commission and Orillia will be included in the report on the Severn System.

POWER DATA

Population Served

The district served by the Wasdell's System is both urban and rural, but the rural lines comprise a larger proportion of the total transmission system than in other systems. Orillia is by far the largest power consumer in the district, but it is not one of the partner municipalities regularly served by the Commission.

The combined population of the municipalities served by the Wasdell's System is approximately 3,819.

On page 17 of our Consulting Engineer's report is shown a table of market statistics for the year 1921; this table gives in detail the number of consumers in the places served by the Commission, the approximate horse-power billed to each place, the kilowatt hours consumed, and the average horse-power per consumer.

The ratio of consumers to population at the end of 1921 was 24.5 per cent. which compares well with other systems. The general growth in the load and in the number of consumers has been comparatively steady making due allow-

WJP.
p.18

All accounts relating to the exchange of power between the Commission and Grille will be included in the report on the River System.

POWER DATA

Population Served

The district served by the Washelli's system is both urban and rural, but the rural lines comprise a larger proportion of the total transmission system than in other systems. Grille is by far the largest power consumer in the district, but it is not one of the poorest municipalities regularly served by the Commission.

The combined population of the municipalities

served by the Washelli's system is approximately 5,619.

On page 17 of our Consulting Engineer's report is shown a table of market statistics for the year 1931; this table gives in detail the number of consumers in the places served by the Commission, the approximate horse-power billed to each place, the kilowatt hours consumed, and the average horse-power per consumer.

The ratio of consumers to population at the end

of 1931 was 24.5 per cent, which compares well with other

systems. The general growth in the load and in the number of consumers has been comparatively steady making the allow-

ance for the abnormal conditions following the armistice in November 1918, and the indications are that the demands are still increasing.

Growth of Market and
Ultimate Sources of Power Supply

Since the commencement of operations the growth of the system has been fairly steady. The loads on the system were as follows, the figures given being the loads for the months of October in each year:

1915	-	209
1916	-	250
1917	-	275
1918	-	261
1919	-	326
1920	-	452
1921	-	399

WJF.
p.18
& 19.

These figures are the sum of the loads for the various municipalities and do not show the actual peak demands on the system, but they do indicate the growth of the demand for power in the district. It is to be noted that from 1915 to 1921 the load increased approximately 91%.

WJF.
p.18.

At the present time the Waddell's System is loaded to the full capacity of the plant, if the supply of about 400 horse-power to the Severn System is included. If this load be withdrawn from the Severn System and used on the Waddell's System, it would probably take care of the normal growth of the system for three or four years, but before then the future source of power supply must be considered. If Niagara power is to be used for the Combined

ance for the abnormal conditions following the avalanche in November 1918, and the indications are that the demands are still increasing.

Growth of Market and Ultimate Sources of Power Supply

Since the commencement of operations the growth of the system has been fairly steady. The loads on the system were as follows, the figures given being the loads for the months of October in each year:

1915	-	209
1916	-	250
1917	-	275
1918	-	281
1919	-	284
1920	-	282
1921	-	292

These figures are the sum of the loads for the various municipalities and do not show the actual peak demands on the system, but they do indicate the growth of the demand for power in the district. It is to be noted that from 1915 to 1921 the load increased approximately 51%.

At the present time the Kaskadi's system is loaded to the full capacity of the plant, it has supply of about 600 horse-power to the Savern system is included. If this load be withdrawn from the Savern system and used on the Kaskadi's system, it would probably take care of the normal growth of the system for three or four years, but before then the future sources of power supply must be considered. If Niagara power is to be used for the combined

1915.
1916.
1917.
1918.
1919.
1920.
1921.

Northern Systems, it would necessitate the building northwards of a number of short tie lines which must be connected to the Wasdell's, Severn and Eugenia Systems through frequency changers, since Niagara power is developed at 25 cycles.

To use power from the French River for the Muskoka System and for the Combined Northern Systems, and possibly for the Hippiessing Section and for the northerly portion of the Trent Section of the Central Ontario System, long transmission lines from the French River to Hippiessing, and from Hippiessing to Muskoka, and from Muskoka to Wasdell's and to the Trent Systems would be required. As all of these systems are operated at 60 cycles, the use of French River power, which is contemplated at 60 cycles, would avoid the use of frequency changing apparatus. The development of the French River sites would depend on the growth of the load on the Combined Northern Systems, and in the North Bay-to-Sudbury district to a sufficient degree to permit of their economical use. If the general power demand continues to increase at a rapid rate, the total economical capacity of the French River sites, which is probably about 20,000 horse-power, might be reached within a comparatively few years, in which case Niagara power would be the only feasible source of supply. From an operating point of view it would be preferable to use power generated at 60 cycles, and avoid the complication of frequency changers. It is understood that the Commission

WJP.
p.19.

Northern System, it would necessitate the building north-
wards of a number of short tie lines which must be connected
to the Kaskaskia, Havana and Bogalusa Systems through trans-
mission changes, since Niagara power is developed at 60
cycles.

To use power from the French River for the
Kaskaskia System and for the Combined Northern System, and
possibly for the Niagara Section and for the northern
portion of the Trent Section of the Central Ontario System,
long transmission lines from the French River to Niagara,
and from Niagara to Kaskaskia, and from Kaskaskia to Kaskaskia's
and to the Trent System would be required. As all of these
systems are operated at 60 cycles, the use of French River

power, which is contemplated at 60 cycles, would avoid the
use of frequency changing apparatus. The development of the
French River also would depend on the growth of the load on
the Combined Northern System, and in the North Bay-to-
Burlington district to a sufficient degree to permit of their
economical use. If the general power demand continues to in-
crease at a rapid rate, the total economical capacity of the
French River also, which is probably about 20,000 horse-power,
might be reached within a comparatively few years, in which
case Niagara power would be the only feasible source of supply.
From an operating point of view it would be preferable to use
power generated at 60 cycles, and avoid the complication of
frequency changes. It is understood that the Commission

W.P.
p.13.

COPY

contemplates the use of some Niagara power through frequency changers in the near future for the Eugenia System.

If Niagara power be used, or, possibly, power from the Central Ontario System, it might prove desirable to separate a number of the municipalities from the present partnership arrangement on the Wasdell's System and add those municipalities to the Niagara or Central Ontario System, in which case the accounting should take into consideration the re-allocation of the cost of that portion of the system so affected.

On the other hand, if power be transmitted from the French River, a system of billing for each of the four or five systems affected would have to be developed so as to fairly apportion the costs of the transmitted power. WJP. p.20.

Horse-Power Developed, etc.

On page 24 of our Consulting Engineer's report is shown a table of horse-power developed, consumed, billed, etc., for the years 1914 to 1922, inclusive.

Power Situation

The market for power has been well covered in the district. The density indicates a high percentage of consumers per capita of population. The demand for electricity is apparently still growing and indications are that further sources of power supply must soon be provided. The ultimate WJP. p.50.

contemplates the use of some Niagara power through transmission
plants situated in the near future for the Niagara system.
If Niagara power be used, or, possibly, power
from the Central Ontario system, it might prove desirable
to separate a number of the municipalities from the present
partnership arrangement on the Niagara system and add those
municipalities to the Niagara or Central Ontario system, in
which case the accounting should take into consideration the
re-allocation of the cost of that portion of the system so
affected.

On the other hand, if power be transmitted from
the French River, a system of billing for each of the town
or five systems affected would have to be developed so as to W.P.
p. 20.

Horse-Power Developed, etc.

On page 24 of our Consulting Engineer's report is
shown a table of horse-power developed, consumed, billed, etc.,
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Power Situation

The market for power has been well covered in the
district. The country indicates a high percentage of con-
sumption per capita of population. The demand for electricity
is apparently still growing and indications are that further
increase of power supply must soon be provided. The Niagara

demand for power and the ultimate sources of supply should be considered in the near future, because there are no local power sites which can be developed economically.

decided to use water power for this purpose and chose a site at Sagitt Bay, on the Sagitt River, about twenty miles from the town. The town owned the water power and privileges and water rights and the Provincial Government purchased the water rights. Originally the water rights were owned by the Sagitt electrical power works, a firm which was at the time, but a subsequent contract between the Sagitt and the Provincial Government was made in 1922. The plant was completed after some delays in 1923. Owing to the construction of the Grand Rapids of the Great Valley Canal by the Provincial Government, the town was asked to move the plant from Sagitt Bay to a new location at Swift Bay. The Provincial Government either took or built, as the case seemed, a dam at the new site. The new work was proceeded with and was completed in 1927 as a station cost of \$12,000.00, and the building and development which were carried out by the Federal Government.

In 1914 the Commission investigated a proposed

demand for power and the relative sources of supply
should be considered in the near future, because there
are no local power sites which can be developed
economically.

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GENERAL RELATIONS

Relations with the Town of Orillia

Previous to 1899 Orillia was obtaining its electrical energy from a steam plant. In 1899 the town decided to use water power for this development and chose a site at Ragged Rapids, on the Severn River, about twenty miles from the town. The town leased the necessary water powers and privileges and under authority obtained from the Provincial Government proceeded with the development. Originally the town had the right to distribute and sell electrical power within a five mile radius of the town, but a subsequent enactment increased this radius to twenty-five miles. The plant was completed after many setbacks in 1902. Owing to the construction of the Severn Division of the Trent Valley Canal by the Dominion Government, the town was asked to move its plant from Ragged Rapids to a new location at Swift Rapids. The Dominion Government undertook to build, at its own expense, a dam at the new site. The new work was proceeded with and was still in course of construction when war broke out. The plant was installed in 1917 at a stated cost of \$114,000.00, exclusive of the building and development which were constructed by the Federal Government.

HEPC.
Report
1911
p.195

62Vic(2)
1899
Cap.64
2Edw.VII
1902
Cap.53

WJP.
p.13.

WJP.
p.14.

In 1914 the Commission instituted a campaign

GENERAL RELATIONSRelations with the River of Orillia

Previous to 1885 Orillia was obtaining its electrical energy from a steam plant. In 1885 the town decided to use water power for this development and chose a site at Ragged Rapids, on the Severn River, about twenty miles from the town. The town leased the necessary water powers and privileges and water authority obtained from the Provincial Government proceeded with the development. Originally the town had the right to distribute and sell electrical power within a five mile radius of the town, but a subsequent enactment increased this radius to twenty-five miles. The plant was completed after many setbacks in 1902. Owing to the construction of the Severn Division of the Trust Valley Canal by the Dominion Government, the town was asked to move its plant from Ragged Rapids to a new location at Swift Rapids. The Dominion Government undertook to build, at its own expense, a dam at the new site. The new work was proceeded with and was still in course of construction when war broke out. The plant was installed in 1917 at a stated cost of \$14,000.00, exclusive of the building and development which were constructed by the Federal Government.

In 1916 the Commission instituted a campaign

ENRQ.
Report
1911
p.128

ENRQ(2)
1899
p.64
ENRQ.VII
1902
p.68

W.P.
p.12.

W.P.
p.12.

with the view to absorbing the Orillia System. Negotiations between the Commission and the town went on for some time and various offers were submitted and considered. The final offer of \$225,000.00, which did not include the cost of the generators, etc., which had to be subsequently installed, was submitted to the vote of the electors on May 22nd, 1916. The by-law was defeated 79 for and 513 against.

Letter
May 23,
1916.
HEPC.
File
S.301
E. & M.
374-5.

Agreements with Orillia

On December 9th, 1919, an agreement was entered into with the Orillia Commission for a supply of power. This agreement was approved by Order-in-Council, dated April 28th, 1920. This is a reciprocal agreement whereby each of the systems gives the other first call on any surplus of power it has available, and is binding for a period of 15 years from the 1st November, 1916. We are informed by Mr. T. C. James that the Orillia System under this arrangement has available, at most times, 2,000 horsepower for Hydro purposes, and in his estimation this amount will be available for some years to come. It will be seen on perusing Paragraph 6, Sub-section (c) that the Power Commission are "to purchase from the corporation for ever, \$10,000.00 with interest at 6 per cent. per annum from 1st November, 1918, that part of the transmission line now owned by the corporation connecting the Big Chute development with the corporation's abandoned plant at Ragged in the township of Ross, June 7th, 1918, was in favor of

with the view to absorbing the Orillia System. Negotiations between the Commission and the town went on for some time and various offers were submitted and considered. The final offer of \$225,000.00, which did not include the cost of the generators, etc., which had to be subsequently installed, was submitted to the vote of the electors on May 2nd, 1916. The plan was defeated 79 for and 215 against.

Agreement with Orillia

On December 2nd, 1915, an agreement was entered into with the Orillia Commission for a supply of power. This agreement was approved by Order-in-Council, dated April 28th, 1920. This is a reciprocal agreement whereby each of the systems gives the other first call on any surplus of power it has available, and is binding for a period of 15 years from the 1st November, 1916. We are informed by Mr. F. O. James that the Orillia System under this arrangement has available, at most times, 2,000 horse-power for Hydro purposes, and in his estimation this amount will be available for some years to come. It will be seen on perusing Paragraph 8, Sub-section (c) that the power Commission are "to purchase from the corporation for \$10,000.00 with interest at 6 per cent. per annum from the 1st November, 1916, that part of the transmission line now owned by the corporation connecting the Big Bush development with the corporation's abandoned plant at Haggard

Letter
May 22.
1916.
HWP.
File
O.301
H. & M.
574-B.

Rapids". The Power Commission subsequently carried out this part of the contract.

In addition to the above, the Power Commission has a subsequent contract with Orillia, dated September 1st, 1922, whereby 800 horse-power at a price of one-quarter cent ($\frac{1}{4}$) per kilo-watt hour is reserved for the Power Commission until September 1st, 1923.

Circumstances of Longford Mills Incident

Longford, a very small community, now a Police Village, contains two industries which were desirous of obtaining power - the Longford Quarry Company and a branch of the Standard Chemical Company. The municipality is located about five or six miles from the main transmission lines of the Commission and about the same distance from the main transmission lines of the Orillia Water, Light and Power Commission. In 1913, the above mentioned companies asked for estimates from the Orillia Water, Light and Power Commission and from the Power Commission, who were both very anxious to secure the contracts. The Power Commission held several meetings and made every endeavour to persuade the people to carry the by-law in their favor. Several Orillia financiers had capital invested in the Standard Chemical Company and wished to see the Orillia Water, Light and Power Commission obtain the contracts.

The result of the vote on the by-law submitted in the township of Rama, June 7th, 1915, was in favor of

with the view to securing the widest possible representation. The Power Commission subsequently carried out this part of the contract. In addition to the above, the Power Commission has a subsequent contract with Orillia, dated September 1st, 1912, whereby 600 horse-power at a price of one-quarter cent (1/4) per kilowatt hour is reserved for the Power Commission until September 1st, 1922.

Dissemination of Standard Mill's Facilities

Longford, a very small community, now a Police Village, contains two industries which were desirous of obtaining power. The Longford Tannery Company and a branch of the Standard Chemical Company. The municipality is located about five or six miles from the main transmission lines of the Commission and about the same distance from the main transmission lines of the Orillia Water, Light and Power Commission. In 1912, the above mentioned companies asked for estimates from the Orillia Water, Light and Power Commission and from the Power Commission, who were both very anxious to secure the contracts. The Power Commission held several meetings and made every endeavor to persuade the people to carry the by-law in their favor. Several Orillia citizens had capital invested in the Standard Chemical Company and wished to see the Orillia Water, Light and Power Commission obtain the contracts. The result of the vote on the by-law submitted in the township of Rama, June 7th, 1912, was in favor of

the Orillia Commission. In spite of this the Power Commission sent engineers to address meetings in the townships of Rama and Mara, through which townships the power lines of the Orillia Commission would have to pass to reach Longford Mills, with a view to persuading these townships to refuse permission for the rights-of-way through the said townships. The Power Commission did all in its power to prevent the Orillia Commission from carrying out the contracts which the Power Commission itself had been refused. Telegrams were sent to the municipalities of Beaverton, Cannington and Woodville in this connection as follows:-

"June 12, 1915.

Meeting Mara Council Monday. Urge attendance strong deputation to oppose granting Orillia franchise. Your interest in Waddell's Power System may suffer."

In addition the following letter was sent by the Commission, copies of which were mailed to the municipalities of Woodville, Cannington, Beaverton, Brechin and the townships of Mara, Thorah and Brock:-

"June 17th, 1915.

P.F.B. Council

Mr. Froman,
Inspecting Trustee,
SUNDERLAND, Ontario.

Dear Sir:-

re: Power to Longford Mills

You are undoubtedly now aware of the attempt

and Grille Commission. In spite of this the Power Com-
mission sent engineers to address meetings in the township
of Hama and Hara, through which township the power lines
of the Grille Commission would have to pass to reach
Kongkora Mill, with a view to purchasing these townships
to release permission for the right-of-way through the
said townships. The Power Commission did all in its power
to prevent the Grille Commission from carrying out the
contracts which the Power Commission itself had been re-
quired. Negotiations were sent to the municipalities of
Beverton, Gannington and Woodville in this connection
as follows:-

"June 12, 1918.

Meeting held Gannington Monday. Large attendance
strong objection to oppose granting Grille
franchise. Your interest in Woodville's Power
System was noted."

In addition the following letter was sent by
the Commission, copies of which were mailed to the munici-
palities of Woodville, Gannington, Beverton, Bresslin and
the townships of Hara, Throck and Beck:-

"June 17th, 1918.

F.B.B.

Mr. Brown,
Inspector Gannington,
Beverton, Gannington.
Dear Sir:-
The Power to Kongkora Mill

You are undoubtedly now aware of the attempt

being made by the Orillia Light and Water Commission to transmit power through Rama and Mara Townships to the Standard Chemical Company, at Longford Mills.

We wish to draw your attention to this matter again, since the Township of Rama on June the 7th passed By-law No. 327 giving the Orillia Water, Light & Power Commission rights through the Township of Rama. This franchise was secured from the Township Council hurriedly and in such a manner that the Township Council was not aware that the interests of other parties were at stake.

We have reason to believe that the Township Council of Rama will reconsider this Bylaw and we suggest that you send a strong deputation to the next meeting of the Rama Township Council for the purpose of showing reasons why said By-law No. 327 should be repealed and rendered null and void.

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We understand that the next meeting of the Rama Township Council is to be held at the pleasure of the Reeve, Mr. Henry Hevener, R.R.#2, Atherley Post Office, and we are writing to suggest that they hold their next Township meeting at their Township Hall at Pawkam Corners on the morning of Wednesday, June 23rd.

Please note that Mr. P. Byrne, Councillor, of Beaverton, has consented to act as local organizer for this matter, and you would do well to communicate with him by 'phone in connection with the hour of meeting.

We might advise that we expect to have a representative at this meeting, and since the Township Councillors of Rama have expressed their ignorance of the Hydro Commission's operation and methods, we ask that you join with our representative and the representatives from the other municipalities on the Wasdell's System in taking the Rama Township Council for a visit to our power house at Wasdell's Falls on the date indicated above.

We are certain that if these Councillors are made acquainted with this Commission's aims and duties to the ratepayers they will be willing to reconsider their former action and repeal By-law No. 327.

It has been impossible to obtain the full amount of

being made by the Grille Light and Water Com-
mission to transmit power through Kana and Kava
Towns to the Standard Chemical Company, at
Kongoré Hill.

We wish to draw your attention to this
matter again, since the Township of Kana on June the
17th passed By-law No. 227 giving the Grille Water,
Light & Power Commission rights through the Town-
ship of Kana. This franchise was secured from the
Township Council by ballot and in such a manner
that the Township Council was not aware that the
interests of other parties were at stake.

We have reason to believe that the Town-
ship Council of Kana will reconsider this By-law
and we suggest that you send a strong delegation to
the next meeting of the Kana Township Council for
the purpose of showing reasons why said By-law
No. 227 should be repealed and rendered null and
void.

COPY

We understand that the next meeting of
the Kana Township Council is to be held at the
placard of the Kava, Mr. Henry Kava, N.E. 1/4,
Athol Post Office, and we are wishing to suggest
that they hold their next Township meeting at their
Township Hall at Yankam Kava on the morning of
Wednesday, June 23rd.

Please note that Mr. P. Hynes, Commissioner
of Kava, has consented to act as local organ-
izer for this matter, and you would do well to
communicate with him by phone in connection with
the next meeting.

We might also state that we expect to have a
representative at this meeting, and since the Town-
ship Council of Kana have expressed their inter-
ests of the Hydro Commission's operation and method,
we ask that you join with our representative and the
representatives from the other municipalities on the
Wendell System in taking the Kana Township Council
for a visit to our power house at Wendell's Falls on
the date indicated above.

We are certain that if these Commissioners are
made acquainted with this Commission's aims and desires
as the ratifiers they will be willing to reconsider
their former action and repeal By-law No. 227.

We are writing to the Township Council of Rama setting forth the reasons why said By-law should be repealed. These are substantially the same reasons as put forward at the meeting held in Brechin on June 14th, when the Orillia Commission attempted to have a By-law passed through the Mara Township Council. As you well know, a stubborn fight was put up by the Orillia Commission to secure entrance into and through the Township of Mara. It was only due to the united efforts and hearty co-operation of the ratepayers and officials on the Wasdells System that the efforts of Orillia to invade your power field were defeated.

We are well aware of the ability and resourcefulness of the Orillia Commission, and while you have secured a victory in Mara, we believe it of vital interest that you should also secure the repeal of the By-law in Rama. It is for this reason that we are writing you at length, requesting your co-operation and attendance at the Rama meeting. We trust that you will not consider this of secondary importance, and will, if possible, send a strong and representative delegation to the meeting in Rama.

In our letter to you re the meeting in Mara we set forth the reasons for our position. In view of the information secured at the Mara meeting we are able to directly refute some of the statements made by the Orillia Commission and the Chemical Company. We briefly summarize the reasons for your opposition to the Orillia application as follows:-

(1) At the expense of over \$226,000.00, loaned by the Province, but secured by our contracts with the municipalities on the Wasdells System, this Commission has erected a modern and first-class generating and transmission system to serve the northern half of Ontario County and the adjoining district to the east.

(2) Contracts with the various municipalities provide that the ratepayers thereof agree to pay all expenses of the system, and, in addition, refund to the Government, with interest, the investment made. The investment is therefore your investment and this Commission is acting only as Trustee in the matter.

(3) In order to make the system feasible it was necessary for the municipalities to pledge themselves to use certain quantities of power. Since the system was only placed in operation last Fall, it has of course been impossible to utilize the full amount of

We are writing to the Township Council of
Hans asking for the reasons why said By-law should
be repealed. These are substantially the same reasons
as put forward at the meeting held in March on June
14th. When the Council Commission attempted to have a
By-law passed through the Hans Township Council. As
you well know, a substantial right was put up by the
Council Commission to secure entrance into and through
the Township of Hans. It was only due to the united
efforts and hearty co-operation of the ratepayers and
officials on the Council System that the efforts of
Council to have your power failed have failed.

We are well aware of the ability and resources
of the Council Commission, and while you have
secured a victory in Hans, we believe it of vital im-
portance that you should also secure the repeal of the
By-law in Hans. It is for this reason that we are
writing you at length, requesting your co-operation
and attendance at the Hans meeting. We trust that
you will not consider this of secondary importance,
and will, if possible, send a strong and representative
delegation to the meeting in Hans.

In our letter to you re the meeting in Hans
we set forth the reasons for our position. In view
of the information secured at the Hans meeting we
are able to directly refute some of the statements
made by the Council Commission and the Council Com-
pany. We briefly summarize the reasons for your
opposition to the Council application as follows:-

(1) As the expense of over \$250,000.00, loaned
by the province, but assumed by our contractors with
the municipalities on the Council System, this Com-
mission has erected a modern and first-class generating
and transmission system to serve the northern half of
Ontario County and the adjoining district to the east.

(2) Contrasts with the various municipalities
provide that the ratepayers thereof agree to pay all
expenses of the system, and, in addition, voted to
the Government, with interest, the investment made.
The investment is therefore YOUR investment and this
Commission is acting only as trustee in the matter.

(3) In order to make the system feasible it was
necessary for the municipalities to pledge themselves
to the certain guarantee of power. Since the system
was only placed in operation last fall, it has of
course been impossible to utilize the full amount of

but you will note that the revenue must be sufficient power contracted for. There is therefore a surplus of power available on the system, and since the enterprise is co-operative and mutually helpful to all the municipalities contracting for power the present price of power is high. The Orillia Commission to serve farmers and others along the route?

To reduce this cost of power it is necessary to increase the amount of power used, making it very necessary that in the districts served every possible power user be secured for your system. We contend that Orillia's attempt to secure a power contract at Longford is a direct invasion of the power field which rightfully belongs to your system. It is very evident, therefore, that it is to the interest of every ratepayer in Northern Ontario County, and even in the adjoining district to the west, which at present or in the future will secure power from the Wasdells System, to oppose the attempt of Orillia to enter the Wasdells field.

COPY
At the meeting held in Brechin on the 14th attended by a large delegation from your district, and also a strong delegation from Orillia, the latter contended that this Commission and yourselves were asking Mara Township to be the "dog in the manger" and refuse Orillia permission to pass through the Township when the Township had nothing to lose. They appealed on the score of sympathy for the Chemical Company, claiming that the Orillia power contracts would mean a large saving - some \$5,000 or \$8,000 - to the Chemical Company. We wish to directly refute these statements and believe that you will agree with our contentions. It is private with the Chemical Company, and it is impossible for us to enter as far as we can find in the By-law passed in Rama Township, and the one submitted to Mara, no compensation was offered to these Townships in any way. The Township of Rama has given the Orillia Commission permission to trim trees along the highways without sufficient protection to the Township's interests. There is nothing in the By-law giving the Township the right to regulate the manner of erecting the transmission line, or any supervision over its type of construction or safety. The By-law is indefinite in that it has no termination.

The Orillia Commission, it is true, agreed to supply users along the proposed route of transmission line at rates current in Orillia, plus 10%.

power connected for. There is therefore a surplus of power available on the system, and since the enterprise is co-operative and mutually helpful to all the municipalities surrounding the power the present price of power is high.

To reduce this cost of power it is necessary to increase the amount of power used, making it very necessary that in the districts served every possible power user be secured for your system. We understand that Grille's attempt to secure a power contract at Langford is a direct invasion of the power field which rightfully belongs to your system. It is very obvious, therefore, that it is to the interest of every ratepayer in Northern Ontario County, and even in the adjoining district to the west, which is present or in the future will secure power from the Muskoka system, to oppose the attempt of Grille to enter the Muskoka field.

COPY

At the meeting held in Grille on the 14th attended by a large delegation from your district, and also a strong delegation from Grille, the latter contended that this Commission and yourselves were asking Hans Township to be the "boy in the manger" and refuse Grille permission to pass through the Township when the Township had nothing to lose. They appealed on the basis of sympathy for the Grille Company, claiming that the Grille power contracts would mean a large saving - some \$5,000 or \$6,000 - to the Grille Company. We wish to directly refute these statements and believe that you will agree with our contention.

As far as we are concerned in the Hy-law passed in Hans Township, and the one submitted to Hans, no consideration was offered to these Townships in any way. The Township of Hans has given the Grille Company permission to run lines along the highway without sufficient protection to the Township's interests. There is nothing in the Hy-law giving the Township the right to regulate the manner of erecting the transmission line, or any suspension over the type of construction or safety. The Hy-law is inflexible in that it has no termination.

The Grille Commission, it is true, agreed to supply power along the proposed route of transmission line at rates current in Grille, plus 10%.

but you will note that the revenue must be sufficient to pay 25% annually on the cost of the line, transformers, etc. Can the residents of Rama Township prove that the possible revenue will meet with these conditions? What protection has Rama Township in this regard,- and how can they force the Orillia Commission to serve farmers and others along the route?

The entire By-law is drawn up in favor of Orillia and with no protection whatever to the Township of Rama.

As far as the possible saving in power bill to the Chemical Company is concerned, by buying power from Orillia, we have requested permission to see the proposed Orillia power contract and have been refused. We have reason to believe that the terms and conditions, as well as the price offered by Orillia, are not so good as the terms and conditions offered by this Commission for service from the Wasdells System.

It should be noted in passing that we have negotiated with the Chemical Company for many months and submitted definite contracts. We have had reason to believe that the terms and prices were agreeable to the Chemical Company and in fact they ordered an electric pump on the strength of this Commission's power quotation.

Our proposed contract with the Chemical Company is public property and the terms and conditions thereof are open to all for inspection and criticism. The same cannot be said of the Orillia contract. The Orillia Commission has been negotiating in private with the Chemical Company, and it is impossible for us to secure from either the Orillia Commission or the Chemical Company the terms and conditions of their proposed contract, so that we may be satisfied that power from Orillia will save anything to the Chemical Company.

In justice to yourselves and to this Commission as your Trustees, we should be in possession of the facts, in order to meet the contention of the Chemical Company that Orillia can sell them power cheaper than we can.

It is evidently realized that the proposed Orillia contract will not bear inspection by our engineers.

Chief Engineer.

but you will note that the revenue must be sufficient to pay \$25 annually on the cost of the line, transmission, etc. Can the residents of Ham Township prove that the possible revenue will meet with these conditions? That proposition has been forwarded in this regard, and how can they force the Grille Commission to serve Lawrence and others along the route?

The entire Hy-Line is drawn up in favor of Grilling and with no protection whatever to the Ham-ship of Ham.

As far as the possible saving in power bill to the Chemical Company is concerned, by buying power from Grilling, we have requested permission to use the proposed Grilling power contract and have been refused. We have reason to believe that the same and conditions as well as the price offered by Grilling, are not so good as the terms and conditions offered by this Commission for service from the Grilling system.

It should be noted in passing that we have negotiated with the Chemical Company for many months and submitted definite contracts. We have had reason to believe that the terms and prices were acceptable to the Chemical Company and in fact they entered an electric pump on the strength of this Commission's power question.

Our proposed contract with the Chemical Company is Grilling property and the terms and conditions thereof are open to all for inspection and criticism. The same cannot be said of the Grilling contract. The Grilling Commission has been negotiating in private with the Chemical Company, and it is impossible for us to secure from either the Grilling Commission or the Chemical Company the terms and conditions of their proposed contract, so that we may be satisfied that power from Grilling will save anything to the Chemical Company.

In justice to ourselves and to this Commission as your trustees, we should be in possession of the facts, in order to meet the contract of the Chemical Company that Grilling can sell them power cheaper than we can.

It is evidently realized that the proposed Grilling contract will not bear inspection by our engineers.

Our offer to the Chemical Company was 200 horse-power at \$33.00 per horse-power per year, delivered on their ground in Longford at 2300 volts. A ten year contract was submitted on the above terms and a guarantee was asked to secure our investment in a transmission line from Fawkhams to Longford, and a substation in Longford.

Commission. It is apparent that the interests of the

While possibly Rama Township is not vitally interested in Hydro power at this time as are other Townships to the south, we believe that you can point out to them that if they as a municipality wish to contract for power they may do so and enjoy with the other municipal partners in the scheme all the benefits to be derived from a supply of cheap electric power.

We believe also that the Township of Rama will appreciate that loyalty to Ontario County and the Wasdells District is more necessary than loyalty to Orillia. No one has shown that it would be a hardship on the Chemical Company to take power from this Commission's Wasdells System instead of from Orillia. Until they ~~can~~ ^{can} prove this to our satisfaction we have grave doubts on the matter. They have evidently appealed to the sympathy of the Townships, and particularly to Rama, wherein is located the large plant of the Chemical Company.

It should also be noted that prominent citizens of Orillia are interested in the Orillia Commission, as well as the Standard Chemical Company of Longford. There is evidently a sympathetic connection between the two parties, which is endeavoring to make an agreement to their mutual advantage and to the serious disadvantage of your investment in the Wasdells System.

As stated earlier in this letter, Mr. P. Byrne of Beaverton will communicate with you in the event of any change in the date for the meeting in Rama Township.

We ask your continued co-operation in this matter, and feel certain that you will again respond.

Very truly yours,

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO

Our offer to the Champlain Company was \$300,000 per year for power at \$0.15 per kilowatt-hour per year. Delivered on each ground in Ontario at 2200 volts. A ten year contract was submitted on the above terms and a guarantee was asked to secure our investment in a transmission line from Hamilton to Toronto, and a substation in Toronto.

While possibly some ownership is not vitally interested in Hydro power at this time as are other Townships to the north, we believe that you can point out to them that it may be a municipality wish to construct for power they may do so and enjoy with the other municipal partners in the scheme all the benefits to be derived from a supply of cheap electric power.

We believe also that the Township of Huron will appreciate that largely in Ontario County and the Hamilton District is now necessary than largely in Ontario. No one has shown that it would be a hardship on the Champlain Company to take power from this Commission's territory instead of from Ontario. Until that is proved this is our satisfaction we have grave doubts as to the matter. They have evidently appealed to the sympathy of the Township, and naturally go down, whereas in fact the large plant of the Champlain Company.

It should also be noted that prominent citizens of Ontario are interested in the Ontario Commission, as well as the Champlain Company of Longford. There is evidently a sympathetic connection between the two parties, which is endeavoring to make an agreement to their mutual advantage and so the serious disadvantages of your investment in the Champlain system.

As stated earlier in this letter, Mr. P. Byrne of Rochester will communicate with you in the event of any change in the date for the meeting in June Township.

We ask your continued co-operation in this matter, and feel certain that you will again respond.

Very truly yours,

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO

Chief Engineer

WTH-1111

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As the municipality of Longford Mills is obtaining power from the Orillia Water, Light and Power Commission, it is apparent that the efforts of the Power Commission to reverse the vote on By-law No. 327, referred to in the foregoing letter, was not successful.

and Consulting Engineer's reports, the public reports and files of the Hydro-Electric Power Commission of Ontario and other official documents bearing a relation to the System.

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In order to be able to do this, the Commission has been given a brief review of the system which appears to require special consideration.

Longford Mills Development - 2.71

The construction of a power development at Longford Mills was authorized by the Commission, April 24th, 1912, and the plant was completed September 24th, 1914. This was the first generating plant authorized by the Commission.

Longford Mills Development - 2.71

The plant has a capacity of 100 h.p. and is connected for 500 h.p. but the actual demand was only 25% of the capacity of the development, which amounts to 250 h.p. The lines were constructed which connect the system with the Severn and Saginaw Systems and they provide a market for the surplus power.

As the responsibility of Longford Mills is
obtaining power from the Dublin Gas, Light and Power
Commission, it is apparent that the effect of the
Power Commission to reverse the case on 17-Jan-52,
referred to in the foregoing letter, was not unques-
tioned.

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UNDEVELOPED POWER SUMMARY (Historical - P.15)

There are no undeveloped power sites in the Wasdell's System. In the foregoing sections of this report comment has been introduced from time to time to make the various statements clear. No public hearing was held in reference to this system, consequently the figures quoted and statements made have all been obtained from the Auditor's and Consulting Engineer's reports, the yearly reports and files of the Hydro-Electric Power Commission of Ontario and other official documents having a definite bearing on the System.

In order to direct attention to the matters on which the Commission may desire to give decisions, hereunder is given a brief review of the points which appear to require special consideration:

Power generated at Wasdell's Falls. ("Historical" - P.7)

The construction of a power development at Wasdell's Falls was authorised by Order-in-Council, April 21st, 1913 and the plant put into operation October 6th, 1914. This was the first generating plant ever constructed by the Commission.

Power Supplied Exceeds Demand. ("Historical" - P.9)

Until 1920 municipalities in the system had contracted for 625 h.p. but the actual demand was only 25% of the capacity of the development, which amounted to 860 h.p. Tie lines were constructed which connect the system with the Severn and Eugenia Systems and thus provide a market for the surplus power.

APPENDIX

In the foregoing sections of this report
 account has been introduced from time to time to make the
 various statements clear. No public hearing was held in
 reference to this system, consequently the figures quoted
 and statements made have all been obtained from the Auditor's
 and Consulting Engineer's reports, the yearly reports and
 files of the Hydro-Electric Power Commission of Ontario and
 other official documents having a bearing on the
 system.

in order to direct attention to the matters on
 which the Commission may desire to give decisions, numbered
 is given a brief review of the points which appear to require
 special consideration:

Power generated at Washell's Falls. ("Historical" - P. 7.)
 The construction of a power development at Washell's
 Falls was authorized by Order-in-Council, April 21st, 1913
 and the plant put into operation October 21st, 1914. This was
 the first generating plant ever constructed by the Commission.

Power supplied Excess Demand. ("Historical" - P. 9.)
 Until 1920 participation in the system had con-
 tracted for 625 h.p. but the actual demand was only 25% of the
 capacity of the development, which amounted to 360 h.p. The
 lines were constructed which connect the system with the
 Huron and Huronia systems and thus provide a market for the
 surplus power.

of approximately 40%.

Undeveloped Power Sites. ("Physical" - P.13)

Reserve for Expansion. ("General Economics" - P. 22)

There are no undeveloped power sites in the Wasdell's System of sufficient capacity to warrant their development. Originally the reserve for renewals was provided by including in the cost of power an annual charge of \$34 on the capital investment. In 1933 this was reduced to \$21. System exceeds the capacity of the present development, retro-active to the inception of the system, resulting in an additional power must be purchased from some outside source. reduction was a credit to the power user of \$20,335.00.

Interchange of Power.

The Wasdell's, Severn, Eugenia and Grillia Systems

are connected by means of tie lines and surplus power is

delivered from one to the other. The interchange of power

between these systems appears to be a very satisfactory arrangement and the question arises as to whether it would be desirable for these three northern systems to be combined into one.

Capital Investment. ("General Economics" - P. 20)

It is to be noted that capital investment of \$335,382.00 is all represented by works and structures, no intangibles being included. It is to be noted that if the extensions contemplated are completed during the current year at the estimated costs, the capital investment will amount to approximately \$490,000.00 at the end of the present fiscal year.

Capital Cost per rated H.P. ("General Economics" - P.21)

The capital costs per rated H.P. steadily increased from 1914 to 1921. The original cost was \$244.60 per h.p. and as at October 31st, 1921 it was \$390.00 per h.p. or an increase

ANNEX

Undeveloped Power Sites. ("General Economics" - P. 12)

There are no undeveloped power sites in the 12-
bell's system of sufficient capacity to warrant such
development. In consequence of this when the demand on the
system exceeds the capacity of the present development,
additional power must be purchased from some outside source.

Interchange of Power.

The Soudan's, Nevada, Oregon and Illinois Systems
are connected by means of the lines and surplus power is
delivered from one to the other. The interchange of power
between these systems appears to be a very satisfactory
arrangement and the question arises as to whether it would
not be desirable for these three northern systems to be
combined into one.

Capital Investment. ("General Economics" - P. 10)

It is to be noted that capital investment of
\$255,382.00 is all represented by works and structures, no
intangibles being included. It is to be noted that the
extensions contemplated are completed during the current
year as the estimated cost, the capital investment will
amount to approximately \$400,000.00 at the end of the present
fiscal year.

Capital Cost per rated H.P. ("General Economics" - P. 11)

The capital cost per rated H.P. steadily increased
from 1914 to 1921. The original cost was \$244.60 per H.P. and
as at October 31st, 1921 it was \$390.00 per H.P. or an increase

of approximately 60%.

Reserve for Renewals. ("General Economics" - P. 22)

Originally the reserve for renewals was provided by including in the cost of power an annual charge of $3\frac{1}{2}\%$ on the capital investment. In 1920 this was reduced to 2% retro-active to the inception of the system, resulting in a reduction and a credit to the power users of \$20,585.60. The amount in the renewal reserve as at October 31st, 1921, amounted to \$38,973.73.

Sinking Fund. ("General Economics" - P. 23).

Reserve for sinking fund has been provided for in the cost of power to the municipalities in the Waddell's System in accordance with the Power Commission Act, to form in thirty years with interest at 4% , the amount of capital invested.

During the year 1920 power was furnished the Severn System at a rate of \$25.00 per h.p. and after providing a sinking fund in the amount of \$1,788.52 out of this revenue the Waddell's System incurred a loss of \$2,295.00. In the year 1921 power was supplied the Severn System at actual cost which included sinking fund charges in the amount of \$1,548.49. The question immediately arises as to whether or not the municipalities on the Severn System are acquiring an interest in the Waddell's System on account of the payment of sinking fund. In theory at least, it would appear that such is the case and if the interchange of power is to continue it would appear necessary that the three northern system be unified

REVENUE

54.

of approximately 50%.

Reserve for Renewals. ("General Accounting" - 7. 22)

Originally the reserve for renewals was provided

by including in the cost of power an annual charge of 5%

on the capital investment. In 1920 this was reduced to 2%

retro-active to the inception of the system, resulting in a

reduction and a credit to the power users of \$20,555.80.

The amount in the renewal reserve as at October 31st, 1931,

amounted to \$22,973.75.

Sinking Fund. ("General Accounting" - 7. 23)

Reserve for sinking fund has been provided for in

the cost of power to the municipalities in the Washelli's System

in accordance with the Power Commission Act. In 1920 in

thirty years with interest at 4%, the amount of capital in-

vested.

During the year 1920 power was furnished the

Gavarr System at a rate of \$45.50 per Mwh. and after providing

a sinking fund in the amount of \$1,755.52 out of this revenue

the Washelli's System incurred a loss of \$1,295.00. In the

year 1921 power was supplied the Gavarr System at actual cost

which included sinking fund charges in the amount of \$1,555.48.

The question immediately arisen as to whether or not the

municipalities on the Gavarr System are receiving an interest

in the Washelli's System on account of the payment of sinking

fund. In theory at least, it would appear that each in the

case and if the interchange of power in the system it would

appear necessary that the three northern system be entitled

in some manner or that the statutory provisions with respect to sinking fund be changed in order that the question of equity may be more clearly defined than at present.

Reserve for Contingencies. ("General Economics" - P.26)

In addition to an annual charge of 25¢ per h.p. on the average amount of power supplied and interest thereon at 4% per annum, profits from the sale of certain equipment have been included in this reserve. As at October 31st, 1921, the credits to the reserve amounted to \$15,342.41, but the expenditures made and the losses incurred up to that date amounted to \$15,101.77 leaving a small balance of \$240.64 to the credit of this account. Our Consulting Engineer is of the opinion that the reserve should be built up until it reaches \$5,000 or \$10,000, and power rates then adjusted to suit conditions.

Accounts of Municipalities. ("General Economics" - P.28)

(a) The balance of power accounts receivable as at October 31st, 1921 amounted to \$6,665.12. These were all paid prior to September 20th, 1922.

(b) As at October 31st, 1921 there was an accumulated debit balance amounting to \$19,117.39 against six municipalities in the system. As at this date, under the provisions of Section 23a of the Power Commission Act, five of the six municipalities on the system were in default of the payment of their power bills inasmuch as some of the balances due estimated power requirements was 475 h.p. The average yearly extend back to the first year of operation and beyond the

REMARKS

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in some manner or that the statutory provisions with respect to sinking fund be changed in order that the provision of equity may be more clearly defined than at present.

Reserve for Generalization. ("General Reserve" - P. 22)

in addition to an annual charge of 1% per annum on the average amount of power supplied and interest thereon at 4% per annum, credits from the sale of surplus equipment have been included in this reserve. As at October 31st, 1921, the credits to the reserve amounted to \$18,443.41, but the expenditures made and the losses incurred up to that date amounted to \$15,107 leaving a small balance of \$3,336.44 to the credit of this reserve. Our Consulting Engineer is of the opinion that the reserve should be built up until it reaches \$5,000 or \$10,000, and power rates then adjusted to suit conditions.

Accounts of Municipalities. ("General Reserve" - P. 22)

(a) The balance of power accounts receivable as at October 31st, 1921 amounted to \$4,433.12. These were all paid prior to September 30th, 1921.

(b) As at October 31st, 1921 there was an accumulated debit balance amounting to \$12,117.28 against six municipalities in the system. As at this date, under the provisions of Section 22a of the Power Commission Act, five of the six municipalities as the system were in default of the payment of local power bills inasmuch as none of the balances due extent back to the first year of operation and beyond the

three-year limit as authorized by the Act.

Results of Operation.

The operating accounts of the system show that the interim rates charged for power failed in the aggregate to meet the actual cost except in the year 1921 when the interim rate exceeded the actual cost of power supplied in the amount of \$2,135.00. The deficiency for the other periods by years is as follows:

1918	-	\$8,993.00
1919	-	2,490.00
1920	-	<u>1,087.00</u>
Total	-	<u>\$12,570.00</u>

It will be noted therefore, that during the period from 1918 to 1921 inclusive, revenue based on the interim power bills failed in the aggregate to meet operating expenses and fixed charges in the amount of \$10,385.00.

Power Costs. ("General Economics" - P.32)

The cost of power based on the horse-power billed in accordance with conditions after adjustment was made in renewal rates, increased from \$42.04 per h.p. in 1918 to \$46.90 per h.p. in 1921, or an increase of approximately 10% during that period.

Estimated Power Loads compared with Actual Power Loads. ("General Economics" - P.35).

For the six municipalities on the System, the estimated power requirements was 675 h.p. The average yearly

Summary

three-year limit as authorized by the act.

Results of Operation.

The operating accounts of the system show that the interim rates charged for power failed in the aggregate to meet the actual cost except in the year 1931 when the interim rate exceeded the actual cost of power supplied in the amount of \$2,188.00. The deficiency for the other

periods by years is as follows:

1918	- \$2,923.00
1919	- 2,490.00
1920	- 1,087.00
Total	- \$6,499.00

COPY

It will be noted therefore, that during the period from 1918 to 1931 inclusive, revenue based on the interim power rates failed in the aggregate to meet operating expenses and fixed charges in the amount of \$10,568.00.

Power Rates. ("General Economics" - p. 23)

The cost of power based on the horse-power billed in accordance with conditions after adjustment was made in renewal rates, increased from \$42.04 per h.p. in 1918 to \$46.80 per h.p. in 1931, or an increase of approximately 10% during that period.

Estimated Power Loads compared with Actual Power Loads. ("General Economics" - p. 23)

For the six municipalities on the system, the estimated power requirements was 875 h.p. The average yearly

load amounted to only 275.8 h.p., thus it will be seen that the estimated loads exceed the actual average yearly loads by approximately 400 h.p. or in other words estimated loads were 144% in excess of the actual demands.

Comparison of Estimated Cost per h.p. with Actual Cost per h.p.

The actual cost per h.p. has exceeded the estimated cost in all of the municipalities on the system. The lowest estimated price per h.p. submitted was \$27.99 and the highest was \$45.00. The estimated costs have been exceeded from a minimum of 52% in the case of the municipality of Woodville to a maximum of 97% in the case of the municipality of Brechin.

Sale of Power to Severn System. ("General Economics"-P.34)

By the sale of power to the Severn System, the Wandell's System has experienced a net profit of \$2,606.00. This amount was credited to the municipalities and resulted in a slight reduction in the cost of power.

Sale of Power to Companies. ("General Economics" - P.34)

By the sale of power to the Crushed Stone Co. Limited, a loss of \$582.00 was experienced in 1920, and a loss of \$2,315.00 in 1921, the loss for 1920 was transferred to the contingency reserve and the loss in 1921 was charged to the various municipalities in the System in the cost of power.

SUMMARY

BY

load amounted to only 275.8 h.p., thus it will be seen that the estimated loads exceed the actual average yearly loads by approximately 400 h.p. or in other words estimated loads were 14% in excess of the actual demands.

Comparison of Estimated Cost per h.p. with Actual Cost per h.p.

The actual cost per h.p. has exceeded the estimated cost in all of the municipalities on the system. The

lowest estimated price per h.p. submitted was \$27.92 and the highest was \$45.00. The estimated costs have been exceeded

from a minimum of 8% in the case of the municipality of Woodville to a maximum of 57% in the case of the municipality of

City of Breckin.

Sale of Power to General System ("General Economics" - 7.34)

By the sale of power to the General System, the General System has experienced a net profit of \$2,606.00. This amount was credited to the municipalities and resulted in a slight reduction in the cost of power.

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power.

Agreement with Orillia Water, Light & Power Commission.

While there is a reciprocal agreement with the Town of Orillia for the interchange of power, the Wasdell's System has not received power from Orillia nor has it supplied power to that town, surplus power from this development being furnished the Severn System.

Population Served and Growth of Market.

The combined population of all municipalities served by the Wasdell's System at October 31st, 1921, was approximately 3,819. The ratio of consumers to population as at October 31st, 1921 was about 24.5%, which compares well with other systems. Since the commencement of operations, the growth of the system has been fairly steady. Commencing with a load of 209 h.p. in October 1915 there has been an increase, until at October 1921 the load amounted to 399 h.p. or an increase of approximately 91%.

Future Sources of Power.

Taking into account 400 h.p. sold by the Wasdell's the Hydro-Electric Power Commission, has consistently refused System to the Severn System, the generating plant is fully loaded. If the sale of power to the Severn System is discontinued, the energy thus made available will probably take care of the normal growth of the system for a period of three or four years. The Commission must, at an early date consider future sources of power for the system, and definite consider-

Agreement with Gullila Water, Light & Power Commission.

While there is a reciprocal agreement with the Town of Gullila for the interchange of power, the Wadell's system has not received power from Gullila nor has it supplied power to that town, supplies power from this development being furnished the Severn system.

Population Growth and Growth of Market.

The combined population of all municipalities served by the Wadell's system at October 1st, 1931, was approximately 2,819. The ratio of consumers to population as at October 1st, 1931 was about 24-25, which compares well with other systems. Since the commencement of operations, the growth of the system has been fairly steady. Commencing with a load of 200 h.p. in October 1928 there has been an increase, until at October 1931 the load amounted to 325 h.p. or an increase of approximately 62%.

Future Extension of System.

Taking into account 400 h.p. sold by the Wadell's system to the Severn system, the generating plant is fully loaded. If the sale of power to the Severn system is discontinued, the energy thus made available will probably take care of the normal growth of the system for a period of three or four years. The Commission must, at an early date consider future sources of power for the system, and definite consideration.

ation will have to be given to the possibility of acquiring privately owned developments in the district, in order that transmission lines and other services will not be duplicated. An alternate procedure to the acquisition of privately owned developments would be the introduction of power from the Niagara System, which would involve considerable expenditure on frequency changers. As in other northern systems, the possibility of introducing power from developments on the French River appears to be a possible solution of the problem of power supply, and would not necessitate expense in the installation of frequency changers.

Relations with the Town of Orillia.

Though repeated efforts were made by the Commission to obtain control of the development operated by the Orillia Water, Light & Power Commission, this municipality, which was one of the pioneers in municipal control of electric service in the Province of Ontario, and which operated a hydro-electric plant in 1901, four years before the incorporation of the Hydro-Electric Power Commission, has consistently refused to become a partner with other municipalities in the Wasdell's System. While not having supplied power to the Wasdell's System they have however, under working agreements with the Commission, supplied power to relieve shortages on the Eugenia and Severn Systems.

REPLY

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ation will have to be given to the possibility of securing privately owned developments in the district, in order that transmission lines and other services will not be duplicated. An alternate procedure to the acquisition of privately owned developments would be the introduction of power from the Niagara system which would involve considerable expenditures on frequency changes. As in other northern systems, the possibility of introducing power from developments on the French River appears to be a possible solution of the problem of power supply, and would not necessitate expense in the installation of frequency changes.

COPY

Relation with the Town of Collingwood.

Through repeated efforts were made by the Commission to obtain control of the development operated by the Collingwood Water, Light & Power Commission, this municipality, which was one of the pioneers in municipal control of electric service in the Province of Ontario, and which operated a hydro-electric plant in 1901, four years before the incorporation of the Hydro-Electric Power Commission, has consistently refused to become a partner with other municipalities in the Niagara system. While not having supplied power to the Collingwood system they have however, under working agreements with the Commission, supplied power to relieve shortages on the Niagara and Severn systems.

Circumstances of Longford Mills Incident.

It is arguable that the Commission in their endeavors to reverse the by-law permitting the construction of transmission lines by the Orillia Water, Light & Power Commission to serve the Longford Quarry and the Standard Chemical Co., acted unfairly toward the municipality of Orillia and the companies with whom Orillia had an agreement for the supply of power. The Commission's letter quoted in full speaks for itself and indicates to what limits the Commission went in order that the By-law might be upset. The Commission undoubtedly would find justification for their action in saying that, acting as the trustees for the municipalities, it was their duty to obtain the contracts with these companies so as to increase sales of power. On the other hand it is questionable if a Commission operating practically as a Department of the Government should go to such extreme limits in interfering with the interests of private companies and in this case the interests of a Municipal Corporation. Orillia is in rather a unique position in that it enjoys none of the benefits of Government financial assistance in promoting its power project, yet must assume its proportion of responsibility for the large advances and guarantees made in respect of Hydro-Electric undertakings.

Commission that the effect of this revision has resulted in a reduction in the annual revenue of \$10,875.00, of

which \$5,000.75 has been applied as a credit to the annual

SECRET

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Statement of Henry W. H. H. H.

It is regrettable that the Commission in their endeavor to reverse the by-law permitting the construction of transmission lines by the Collins Water, Light & Power Commission to serve the Longford County and the standard Municipal Gas, acted unilaterally toward the municipality of Collins and the corporation with whom Collins had an agreement for the supply of power. The Commission's letter passed in this respect for itself and imputed to what limits the Commission went in order that the by-law might be applied. The Commission undoubtedly would find justification for their action in saying that, acting as the trustees for the municipality, it was their duty to obtain the contracts with these companies as to increase sales of power. On the other hand it is questionable if a Commission operating practically as a department of the Government should go to such extreme limits in interfering with the interests of private companies and in this case the interests of a Municipal Corporation. Collins is in rather a unique position in that it enjoys none of the benefits of Government financial assistance in promoting its power project, yet must assume the proportion of responsibility for the large advances and guarantees made in respect of Hydro-Electric undertakings.

ADDENDA

It has recently been brought to our attention that the Commission has made substantial reductions in the renewal rates charged in various systems and that such reductions have been made retroactive to the date of first operation.

In connection with this change, Mr. Brown of Messrs. Price, Waterhouse & Company has submitted a memorandum which in part reads as follows:

**Memorandum re Reduction of Renewal Rates
on the Waddell's Falls System.**

"On December 20th, 1922, the Commission passed the following Minute reducing the renewal rates on the Waddell's Falls System:

'The Chief Engineer having recommended a revised depreciation rate, calculated on the basis of the life of the equipment, also having advised that this matter had been taken up with Mr. Francis and approved, it was decided that the depreciation rate for Waddell's System be fixed at 1.5%, and that this rate be made retroactive to date of first operation.'

The rate used by the Commission was 2 per cent. and this revision resulted in the reduction of the rate of .5 per cent.

I have been informed by the Hydro-Electric Power Commission that the effect of this revision has resulted in a reduction in the renewal reserve of \$10,578.06, of which \$5,500.76 has been applied as a credit to the munici-

A D D E N D A

It has recently been brought to our attention that the Commission has made substantial reductions in the renewal rates charged in various systems and that such reductions have been made retroactive to the date of first operation.

In connection with this change, Mr. Brown of Messrs. Price, Watson & Company has submitted a memorandum which is set forth as follows:

Memorandum for Reduction of Renewal Rates on the Washelli's Radio System

"On December 20th, 1922, the Commission passed the following Minutes reducing the renewal rates on the Washelli's Radio System:

'The Chief Engineer having recommended a revised depreciation rate, calculated on the basis of the life of the equipment, also having advised that this matter had been taken up with Mr. Washelli and approved, it was decided that the depreciation rate for Washelli's system be fixed at 1.25, and that this rate be made retroactive to date of first operation.'

The rate used by the Commission was 2 per cent. and this revision resulted in the reduction of the rate to 1.25 per cent.

I have been informed by the Ex-Grate Electric Power Commission that the effect of this revision has resulted in a reduction in the renewal reserve of \$10,578.00, of which \$2,500.75 has been applied as a credit to the Washelli's

palities, and \$5,077.30 as an addition to the contingency reserve. The amount of \$5,500.76 credited to the municipalities has the effect of reducing slightly the cost of power to them during the entire period of operation to October 31st, 1921, and would have the effect of reducing the balances owing by them at October 31st, 1921, to that extent.

The operating figures shown in the report are of course subject to revision especially the annual cost per horse-power.

Our Consulting Engineer has recommended that the contingency reserve should be increased to \$5,000.00 or \$10,000.00. The balance at October 31st, 1921, or approximately \$240.00 together with the addition in the amount of \$5,077.30 transferred from the renewal reserve will bring the reserve up to approximately Mr. Francis' minimum recommendation.

Mr. Guilfoyle has pointed out the necessity of giving effect to the adjustments in reports made by this Commission as it changes the results of operation to some extent."

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In view of the instructions given no attempt has been made to recast the figures in order that they may conform with the changes recently made, but it is pointed out that in reporting to the Government some reference should be made to the reduction that has been made in the renewal reserve account.

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The operating figures shown in the report are of course subject to revision especially the annual cost per horse-power.

Our Consulting Engineer has recommended that the contingency reserve should be increased to \$5,000.00 or \$10,000.00. The balance at October 31st, 1931, or approximately \$240.00 together with the addition in the amount of \$5,077.30 transferred from the renewal reserve will bring the reserve up to approximately Mr. Evans' minimum recommendation.

Mr. Gallego has pointed out the necessity of giving effect to the adjustments in reports made by this Commission as it changes the results of operation to some extent.

In view of the instructions given no attempt has been made to recast the figures in order that they may conform with the changes recently made, but it is pointed out that in reporting to the Government some reference should be made to the reduction that has been made in the renewal reserve account.

